

REINVENTING ENVIRONMENTAL REGULATION

President Bill Clinton
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REINVENTING ENVIRONMENTAL REGULATION

Overview

"Do we need more common sense and fairness in our regulations? You bet we do. But we can have common sense and still provide safe drinking water. We can have fairness and still clean up toxic waste dumps. And we ought to do it."

President Clinton

State of the Union Address; January 24, 1995

Introduction

We are in the midst of a critical transitional period for our nation's environmental policy. The modern era of environmental protection began in 1970 with the first Earth Day, the passage of landmark legislation, and the creation of the Environmental Protection Agency. We have accomplished much in 25 years to protect the health of our people and preserve natural treasures for future generations. But much remains to be done.

It is time to draw upon the lessons we have learned over the last 25 years to reinvent environmental protection for the 21st century. We have learned that the American people are deeply committed to a healthy environment for their children and communities. We have learned that pollution is often a sign of economic inefficiency and business can improve profits by preventing it. We have learned that better decisions result from a collaborative process with people working together, than from an adversarial one that pits them against each other. And we have learned that regulations that provide flexibility -- but require accountability -- can provide greater protection at a lower cost.

The American people expect and deserve clean air to breathe, clean water to drink, a safe food supply and safe places to live, work and play for themselves and for future generations. The Clinton/Gore Administration is committed to providing that protection in a common sense, cost effective manner.

This report contains a comprehensive set of 25 High Priority Actions that will substantially improve the existing regulatory system, and take significant steps toward a new and better environmental management system for the 21st century.

25 Years of Progress

Since the first Earth Day almost 25 years ago, the American people have enjoyed dramatic improvements in public health, worker safety, and the natural environment. We have taken lead out of gasoline and paint. We have virtually eliminated direct discharge of raw sewage into the nation's water. We have banned DDT and other dangerous and persistent pesticides. Because of these and other actions, lead levels in the average American's bloodstream have dropped by 25 percent since 1976, millions of Americans can now fish and swim in formerly polluted waters, and

the bald eagle -- once close to extinction -- has been removed from the list of endangered species. Improvements in the quality of our air, water, and land represent investments in the future that will pay dividends for generations to come. But, for all the progress we have made, serious environmental problems remain. Examples include:

Forty percent of our rivers and lakes still do not fully meet water quality standards;

54 million Americans - one in five - still live in areas where the air does not meet public health standards; and

We are witnessing increases of asthma, breast cancer and other illnesses that may be related to environmental pollution.

It is clear that we have not finished the job. We must build on the successes of the past to construct a framework for continued success in the future. Many of the successes achieved thus far have been based on "end-of-the-pipe," "command-and-control" approaches. Under this system, Federal and state governments have set standards, issued permits for pollutant discharges, and then inspected, monitored and enforced the standards set for each environmental statute. By regulating emission sources to the air, water, and land, we have addressed many of the obvious environmental problems.

But as we achieved these successes, we learned a great deal about the limitations of "command-and-control." Prescriptive regulations can be inflexible, resulting in costly actions that defy common sense by requiring greater costs for smaller returns. This approach can discourage technological innovation that can lower the costs of regulation or achieve environmental benefits beyond compliance. Prescriptive regulation is often less effective in addressing some of the more diffuse sources of pollution that we will face in the years ahead.

We have seen both the value and the limitations of "command-and-control" regulation and end-of-pipe strategies. They will remain possible policy options to be chosen if they are the most efficient, effective -- or only -- solutions to future environmental problems. But we also know that we must expand available policy tools to include new and innovative ways to achieve greater levels of environmental protection at a lower cost.

For example, we have learned that setting "performance standards" and allowing the regulated community to find the best way to meet them can get results cheaper and quicker -- and cleaner -- than mandating design standards or specific technologies. We can promote both lower-cost environmental protection and innovation in pollution control and prevention technology. Using performance standards along with economic incentives encourages innovation. The lowest-cost and most effective strategies earn a greater return in the marketplace. Accountability and responsibility must accompany this increased flexibility so our citizens have confidence that our environmental goals are, in fact, being met.

We have also learned that a healthy environment and a healthy economy go hand-in-hand. This growing awareness is demonstrated by the strong support that the concept of sustainable

development has received from both industry and environmentalists across the country and around the world. Our economic and our environmental goals must be mutually reinforcing to produce both jobs and environmental quality.

We have learned that the adversarial approach that has often characterized our environmental system precludes opportunities for creative solutions that a more collaborative system might encourage. When decision-making is shared, people can bridge differences, find common ground, and identify new solutions. To reinvent environmental protection, we must first build trust among traditional adversaries.

We have certainly learned that Washington, D.C. is not the source of all the answers. There is growing support for sharing decision-making by shifting more authority -- and responsibility -- from the Federal government to states, tribes and local communities.

Drawing upon the lessons of the last 25 years, the Clinton/Gore Administration is committed to reinventing our environmental protection system. This is a positive effort to build upon the strengths of the current system, while overcoming its limitations. We will reform the system, not undermine it. We will bring people together in support of reform, rather than further polarizing a debate that has been polarized for too long already.

In tackling this challenge, we are guided by a commitment to the progress of the last 25 years, a vision for the next 25 years, a set of 10 principles, and the knowledge that the American people want common sense protection of public health and the environment.

A Vision for the Next 25 Years

We envision a 21st century America in which healthy and economically secure people breathe clean air, drink clean water, eat safe food, and live, work and play in clean and safe communities.

We envision a 21st century America in which economic incentives, environmental incentives, and technological innovation are aligned so that economic growth improves -- rather than diminishes -- environmental quality.

In the next century, environmental protection must be driven by clear and measurable national goals. Economic, environmental, and social goals must be integrated so policies are mutually supportive, not conflicting. Performance will be measured by achieving real results in the real world, not simply by adhering to procedures.

We must set environmental standards with full public participation. We must encourage innovation by providing flexibility with an industry-by-industry, place-by-place approach to achieving standards, building on the work begun in the Common Sense Initiative. But we will require accountability that such standards be met. Rather than focusing on pollutant-by-pollutant approaches, attention must shift to integrated strategies for whole facilities, whole economic sectors, and whole communities.

We must employ an inclusive decision-making process that will provide states, tribes, communities, businesses and individual citizens the opportunity to participate. In particular, low-income and minority citizens must have a meaningful voice in decisions that affect their lives. But in addition to providing opportunity, we must encourage individuals, businesses, and governments to accept their responsibility for environmental stewardship.

The power of information will be critical to the success of this new system. Better information will allow businesses to identify and eliminate inefficiencies that create pollution and reduce profits. Better information will enable government to avoid "one size fits all" approaches and efficiently tailor solutions to problems. Better information will allow citizens to participate effectively in decisions that affect their families and communities.

This new management system will require everyone to accept new roles and responsibilities. Individuals will have new responsibilities as consumers and as participants in local decision-making. Businesses will make environmental protection a strategic consideration that will be designed into their products and services, not considered after the fact. State, tribal, and local governments will serve as full partners in the development and implementation of policies to achieve national goals. EPA will become a partner providing information and research to empower local decision-makers.

Reinvention Yes, Rollback No

How do we attain this vision of the future? The 25 High Priority Actions assembled in this report provide the road map to reach our vision. The first set of Actions, listed under the heading "Improvements to the Current System," are examples of immediate steps to fix problems associated with today's regulatory structure. Additional actions will be identified in a June 1 report to the President following a comprehensive review of all existing regulations. It will recommend eliminating obsolete or unnecessary requirements.

But we can't be satisfied with simply improving elements of a regulatory system that has evolved piece-by-piece over 25 years. By implementing the second set of Actions included under the heading "Building Blocks for a New System," we will provide the flexibility to test alternative strategies to achieve environmental goals. The most notable of these initiatives is Project XL (page 14). This program will give a limited number of responsible companies the opportunity to demonstrate excellence and leadership. They will be given the flexibility to develop alternative strategies that will replace current regulatory requirements, while producing even greater environmental benefits.

The Clinton/Gore Administration is committed to reinventing environmental protection so it will protect more and cost less. But we are not starting from scratch. In the last two years, the Administration has made tremendous progress in adopting common sense reforms to our environmental regulatory system (See Appendix C). We have spearheaded a new, cleaner, cheaper and smarter direction for environmental protection. In the year ahead, we will continue our progress through the ambitious agenda contained in this report.

But let no one misunderstand us. Our effort to reinvent environmental regulation does not imply compromise on the public health and environmental protection goals to be achieved. While increased flexibility is a central principle of our reinvention effort, flexibility is not a codeword for loophole. Those who abuse this new flexibility will find the traditional tools still at hand to enforce the law.

The American people, in poll after poll, cite their determination to achieve high standards of environmental quality. This Administration shares that commitment. We will oppose those who would undercut protection of public health and the environment under the guise of "regulatory relief." America does not need dirtier air or dirtier water. The historic protection we have achieved over the last 25 years must be maintained, sustaining the promise of a clean and healthy environment that has been made and renewed by almost every President since Teddy Roosevelt. We will work with the new Congress whenever possible, but we will not go backwards. Reinvention yes, rollback no.

10 Principles for Reinventing Environmental Protection

1. Protecting public health and the environment are important national goals, and individuals, businesses and government must take responsibility for the impact of their actions.
2. Regulation must be designed to achieve environmental goals in a manner that minimizes costs to individuals, businesses, and other levels of government.
3. Environmental regulations must be performance-based, providing maximum flexibility in the means of achieving our environmental goals, but requiring accountability for the results.
4. Preventing pollution, not just controlling or cleaning it up, is preferred.
5. Market incentives should be used to achieve environmental goals, whenever appropriate.
6. Environmental regulation should be based on the best science and economics, subject to expert and public scrutiny, and grounded in values Americans share.
7. Government regulations must be understandable to those who are affected by them.
8. Decision making should be collaborative, not adversarial, and decision makers must inform and involve those who must live with the decisions.
9. Federal, state, tribal and local governments must work as partners to achieve common environmental goals, with non-federal partners taking the lead when appropriate.
10. No citizen should be subjected to unjust or disproportionate environmental impacts.

25 HIGH PRIORITY ACTIONS

"We are at a crossroads. The decisions we make today will determine whether we leave to future generations an attractive, livable world or an ever-escalating series of problems. More than ever, we must work vigorously to advance the twin goals of environmental protection and economic growth."

Vice President Gore
July 15, 1994

Our strategy to reinvent environmental protection will proceed on two tracks that will converge in the future to produce a new era of cleaner, cheaper, and smarter environmental management. The first track is a set of High Priority Actions targeted to fixing problems with today's regulatory programs. These actions demonstrate our commitment to providing flexibility, sparking innovation, and requiring accountability; to cutting red tape; to encouraging collaboration; and to focussing upon achieving environmental results in local communities, rather than adherence to bureaucratic procedures in Washington.

The second track is a set of High Priority Actions designed to develop innovative alternatives to the current regulatory system. We will enter into partnerships with businesses, environmentalists, states and communities to test alternative management strategies for single facilities, industrial sectors, or geographic areas. The knowledge gained from such bold experimentation will lay the groundwork for developing a new environmental management system for the 21st century.

This dual strategy is a comprehensive approach to continually improving our environmental management system -- aimed at our twin goals of enhanced environmental protection and vibrant economic growth. One-page descriptions of these 25 High Priority Actions can be found in Appendix A. Appendix B contains a set of Other Significant Actions.

IMPROVEMENTS TO THE CURRENT SYSTEM

Performance and Market-based Regulations Regulatory policies that rely on performance standards in concert with market-based incentives greatly enhance cost-effectiveness and innovation, by encouraging the lowest cost and most innovative compliance strategies.

1. **Open-market air emissions trading.** EPA will issue an emissions trading rule for smog-creating pollutants that will allow states to obtain automatic approval for open market trading of emission credits with accountability for quantified results. Expanding use of market trading on a local and regional level will give companies broad flexibility to find lowest cost approaches to emission reductions. The rule will encourage experimentation with new trading options, while enabling states to pursue more quickly allowance-based cap systems, which are already under development in some areas.

2. **Effluent trading in watersheds.** EPA will place top priority on promoting use of effluent trading

to achieve water quality standards (e.g., establishing a framework for different types of effluent trading, issuing policy guidance for permit writers, and providing technical assistance). Trading can be used to achieve higher water quality in watersheds at lower cost than inflexible discharge requirements for individual sources.

Setting Priorities based on Sound Science

Sound and credible environment decisionmaking depends on good science and good data. When hazards are understood and risks have been fully assessed, remedies can be crafted with precision. Twenty-five years ago, little was known about environmental hazards and far less about the risks they posed. Through the years, we have considered both the hazards and how best to assess the resulting risks. EPA must remain at the cutting edge of risk assessment and ensure independent peer review of the science used in regulatory decisions to mitigate risk in the most efficient and effective manner possible.

3. Refocus RCRA on high-risk wastes. The regulation of hazardous wastes will be reformed so that: low-risk wastes exit the Resource Conservation and Recovery Act hazardous waste system; states are allowed latitude in designing management requirements for low-risk, high-volume wastes generated during environmental cleanup operations; and, a new "common-sense" definition of solid waste will be developed to simplify industry compliance with RCRA rules.

4. Refocus drinking water treatment requirements on highest health risks. EPA will reorder its priorities for drinking water regulations based on a careful analysis of public health risks and discussions with stakeholders. While working on this realignment, EPA will pursue a postponement of court-ordered deadlines for drinking water regulations. Additionally, EPA will boost support for voluntary efforts to immediately reduce risks through improved management of water treatment facilities and tailor drinking water monitoring requirements to reflect local contaminant threats.

5. Expand use of risk assessment in local communities. EPA has sponsored the development of computer software that allows non-specialists to conduct simple risk assessments. As part of an expanded risk training program, EPA will provide (at cost) this computer program to local governments, small businesses, and local citizens groups. This tool will allow estimates of exposures and human health risks on a site-specific basis. Broad availability to training and access to risk assessment tools and data bases will increase public understanding of risk assessment and empower citizens to participate in environmental decisions in an informed manner.

Building Partnerships

No one has a greater interest in local environmental decisions than the people who are affected by them. States, tribes and communities are anxious for greater autonomy and responsibility for results. EPA is taking an activist role in moving environmental decisions and accountability to the level closest to the problem -- be it state, tribal, or local. A major part of achieving a shift in authority is building the capacity at the state and local levels to solve local problems. Upon enactment of necessary legislation, EPA will vigorously pursue:

6. Flexible funding for states and tribes. EPA will provide an option for state and tribal governments to combine their existing grant funds to reduce administrative burdens and improve environmental performance. Under these Performance Partnership Grants, states and tribes will be able to target funds to meet their specific needs, as long as they are consistent with environmental requirements. These grants would be subject to performance criteria negotiated between the EPA Administrator and the grant recipients.

7. Sustainable Development Challenge Grants. This new competitive action grant would prompt local formulation of comprehensive, place-based management connecting sustainable economic development with sound environmental practices. Within legislatively set national objectives, stakeholders will be challenged to produce coordinated programs, using the action grant to mobilize, organize and attract community and private sector participation. A successful application would demonstrate a high level of stakeholder involvement, and availability of other sources of funds. Recipients would be expected to leverage direct private sector investment in place-based environmental protection.

8. Regulatory negotiation and consensus-based rulemaking. EPA will review all rules to identify candidates for negotiated rulemaking -- a process that involves all stakeholders in developing agreement on how best to regulate. Additionally, the Common Sense Initiative process will be used to identify regulations that can be developed through negotiation and consensus.

Cutting Red Tape

Continuing the work started under Vice President Gore's National Performance Review, EPA will search out opportunities to simplify and reduce paperwork, including up front during the permitting process, and in recordkeeping and reporting. By June of this year, EPA will review all of its regulations and identify those that should be eliminated or simplified. These actions will preserve essential data needed to measure environmental results and determine compliance with the law, but will eliminate low-value requirements. The three examples below illustrate EPA's commitment to eliminating red tape by reducing paperwork, simplifying reporting, and consolidating rules for easier understanding.

9. 25% reduction in paperwork. EPA will reduce existing reporting and recordkeeping burden hours by 25% beginning with local governments and small businesses. Initiatives already underway include expanded use of electronic reporting and recordkeeping. EPA will meet extensively with industry, states, and other interested groups to identify ways of minimizing reporting and recordkeeping requirements.

10. One-Stop emission reports. EPA will create a consolidated system for routine emission reporting to the Agency, which will substantially reduce the multitude of reporting forms for different kinds of pollutant discharges from one facility. Given the magnitude of this change and the logistics involved, consolidated reporting will begin with pilot programs in coordination with states. Based on the experience gained, we will apply the "one-stop" approach more broadly.

11. Consolidated federal air rules (one-industry -- one rule). EPA will work with key industries,

beginning with the chemical industry, to eliminate conflicting and overlapping federal air compliance requirements. Deleting duplicative and confusing regulations will result in increased understanding by industry about emission limits and monitoring, recordkeeping and reporting requirements, and will reduce compliance costs -- with no measurable loss of environmental protection. Subsequently, consolidation for other media will be undertaken, based on experience gained with air rules.

Better Accountability Compliance and Enforcement. While environmental requirements can and will be made more flexible and cost effective, the public will continue to expect compliance with the law and accountability for results. We will encourage good actors and provide incentives for compliance while preserving a level playing field and deterring violations through targeted enforcement actions. We will encourage compliance through incentives for self-policing, including penalty reductions and testing of third-party auditing and self certification, and we will provide more effective assistance to small businesses seeking to comply with environmental regulations. We will maintain the level playing field through aggressive enforcement that targets the highest risks and most significant noncompliance problems. Many of these initiatives will be coordinated through EPA's new Environmental Leadership Program.

12. Risk-based enforcement. EPA will target enforcement actions against significant violations that present the greatest risks to human health and the environment. This will require development of tools that allow analysis of risk as well as patterns of violations among corporations and facilities within a particular sector, and making this information more publicly available.

13. Compliance incentives for small businesses and communities. The nation will enjoy greater environmental protection if responsible small businesses and small communities who volunteer to comply with environmental regulations can access compliance assistance without fear of fines and penalties. Thus, EPA will provide up to 180 days for small businesses to correct violations identified through federal or state technical assistance programs. A similar approach will be used for small communities.

14. Small business compliance assistance centers. EPA will develop national customer centers for six small business sectors (including printing, metal finishing, auto service stations) that face multiple environmental requirements. The centers will support trade associations and state small business associations through plain-English guides to compliance, electronic access to information linking pollution prevention and compliance opportunities, and by cutting paperwork and consolidating reporting for the affected industries.

15. Incentives for auditing, disclosure and correction. To reward today's responsible companies and eliminate costly litigation and red tape, EPA will provide incentives through reduced penalties for companies that disclose and promptly correct violations -- except for criminal violations, imminent and substantial endangerment, or repeat violations.

16. Self certification. Compliance through self certification can reduce the reporting burden for those environmental requirements not associated with emissions or risk data. EPA will develop a self certification program for pesticide registrants, and then expand self certification into other

program areas.

The Power of Information

Quality information is central to all aspects of environmental decisionmaking. Government, businesses, and citizens need information about prevailing and projected environmental conditions and trends; about the effects of pollution; about the success of mitigation strategies; and about costs and benefits of these strategies. Businesses need quality information to identify opportunities to prevent pollution and save money. Citizens need access to information to participate in decision-making in a meaningful and informed manner. Alternative performance-based systems of environmental protection -- such as facility-, sector-, and community-based approaches -- can only succeed if high quality information is available and can be easily accessed.

17. Public electronic access. EPA will significantly expand its existing programs (e.g., Public Information Center, hotlines) to make information from all EPA programs available through Internet and other electronic means that many Americans can access directly from their homes, schools and libraries.

18. Center for environmental information and statistics. EPA will administratively establish a new Agency-wide center charged with assessing, consolidating and disseminating information. The center will sense multiple and diverse stakeholders -- providing products that respond to the expressed needs of its customers.

The center will commission an independent study to evaluate the full range of data needs (including additional data as well as unnecessary data elements that are currently collected). EPA data management systems and technological improvements that can increase efficiency and access will also be addressed.

BUILDING BLOCKS FOR A NEW SYSTEM

It isn't enough to focus on improving the current regulatory system. Incremental change alone will never get us where we ultimately need to be. As we move toward a new century, it is imperative that we challenge ourselves to step outside the context of the established way of doing things to identify new and innovative means to achieve our goals. The High Priority Actions that follow do just that. They will test the building blocks for a new way to ensure both a vibrant economy and a healthy environment. By providing flexibility -- with accountability -- we will spark technological innovations that will demonstrate that economic and environmental goals can be achieved simultaneously. The knowledge gained from this bold experimentation will allow us to leapfrog past the limitations of the current system to create a new environmental management system for the 21st century.

Alternative Performance-based Strategies

EPA has developed a coordinated series of demonstration projects designed to provide the opportunity to implement alternative management strategies for facilities, industrial sectors,

communities, and federal agencies. These projects will provide environmental managers the flexibility to employ technological innovation to achieve environmental goals beyond what the law requires, while requiring accountability for performance. These projects will also encourage collaborative decision-making with increased citizen involvement. EPA will sponsor the following demonstration projects.

19. Project XL. This project is a critical component of the Administration's effort to reinvent regulation. In partnership with the states, the Administrator will provide a limited number of responsible companies the opportunity to demonstrate excellence and leadership. They will be given the flexibility to replace the requirements of the current system at specific facilities with an alternative strategy developed by the company if certain conditions are met: (a) the alternative strategy must produce environmental performance superior to that which would be achieved by full compliance with current laws and regulations; (b) the alternative strategies must be "transparent" so that citizens can examine assumptions and track progress toward meeting promised results; (c) the alternative strategy must not create worker safety or environmental justice problems; (d) the alternative strategy must enjoy the support of the community surrounding the facility; and (e) the alternative strategy must be enforceable.

20. Alternative strategies for sectors. Through the use of industry covenants and other forms of enforceable agreements, EPA and several industries will demonstrate how adjustments and modifications in environmental regulatory requirements can achieve more cost-effective environmental results. The industries involved in the Common Sense Initiative will provide the first opportunities to test this approach.

21. Alternative strategies for communities. EPA will join with states and communities, and perhaps other federal agencies, to conduct pilot projects that will demonstrate and assess the merits of community-designed and directed strategies for achieving environmental and economic goals. The pilots will be undertaken with communities that are seeking innovative alternatives that promise greater efficiency and effectiveness than current approaches, as well as with communities that are grappling with limited ability to meet current regulatory requirements. The pilots will apply, in a geographic area, the concepts contained in the facility and sector projects, and will build on the Administration's Empowerment Zone and Ecosystem Management Initiatives. These pilots will integrate the mutually supportive goals of economic development and environmental protection at the community level with full public participation.

22. Alternative strategies for agencies. EPA will work with other federal agencies that have environmental responsibilities to ensure that their programs achieve environmental results in the most cost-effective manner, while eliminating needless bureaucratic procedures. The initial pilot in this effort will focus on two to four Department of Defense facilities. EPA and DoD will enter into a memorandum of understanding to define performance goals and jointly devise an optimal approach to achieve those goals. The approach will combine pollution prevention, compliance and technology research projects.

New Tools for Government and Industry

In addition to sponsoring alternative strategy pilot programs, EPA will place increased emphasis on developing new management tools for government and industry to utilize in implementing new environmental management systems.

23. Third-party audits for industry compliance. One approach for streamlining compliance oversight is to use independent, certified, private sector firms to audit industry performance. The Environmental Leadership pilot program, with input from environmental groups, industry and states, will evaluate criteria for third-party audits which assure the public that environmental requirements are being met and violations disclosed and promptly corrected.

24. Multi-media permitting. EPA will conduct several demonstrations of multi-media ("one-stop") permits. These permits will address all releases and use performance based approaches to assure comprehensive environmental protection, encourage pollution prevention, minimize duplication and delay, and. allow facility managers to use lowest-cost solutions.

25. Design for Environment -- green chemistry challenge. EPA proposes that the agency and the chemical industry jointly sponsor national awards for companies that develop pollution prevention processes for chemical production and use. Major targets will be using renewable resources for chemical production, substituting solvents that do not contribute to air pollution, and designing new chemicals and chemical processes that are more safely made and that are safe for the environment.

APPENDIX A

ONE-PAGERS: 25 HIGH PRIORITY ACTIONS

IMPROVEMENTS TO THE CURRENT SYSTEM

1. Open-market air emissions trading
2. Effluent trading in watersheds
3. Refocus hazardous waste regulation on high-risk wastes
4. Refocus drinking water treatment requirements on highest risks
5. Expand use of risk assessment in local communities
6. Flexible funding for states and tribes
7. Sustainable development challenge grants
8. Regulatory negotiation and consensus-based rulemaking
9. 25% reduction in paperwork
10. One-Stop emission reports
11. Consolidated federal air rules
12. Risk-based enforcement
13. Compliance incentives for small businesses and communities
14. Small business compliance assistance centers
15. Incentives for auditing, disclosure, and correction
16. Self certification
17. Public electronic access
18. EPA Center for environmental information and statistics
19. Project XL
20. Alternative strategies for sectors
21. Alternative strategies for communities
22. Alternative strategies for agencies
23. Piloting third-party audits for industry compliance
24. Multi-media permitting
25. Design for the Environment -- "Green Chemistry Challenge"

1. Open-market air emission trading

Action: Establish an open trading market that will allow for attainment of the ozone air quality standard at far less cost.

Background: Emissions trading is a way of reducing pollutant emissions to the environment by applying pollution reduction measures at the places where reductions are most cost effective. A facility can avoid costly compliance measures by reducing emissions at points where it is most cost effective to do so, and not apply controls where costs are exorbitant, so long as equivalent or greater reductions are made.

The current ozone control program has focused on a combination of technology-based mandatory measures and State plans that historically have discouraged flexible emission trading programs. In response, EPA has already issued regulations and guidance to encourage development of economic incentive programs, helped develop an emissions trading market in southern California, and sponsored demonstration projects in the Northeast and elsewhere.

We now believe we have enough experience with trading concepts to provide clear EPA positions that would encourage economic approaches while ensuring equal or better environmental results. EPA's issuance of a generic trading rule would go a long way towards persuading states to adopt such measures. Description: EPA will issue a generic trading rule for ozone-creating pollutants (volatile organic compounds and nitrogen oxides) that will provide far more flexibility than ever before for companies to trade emission credits without prior state or federal approval.

Any State that adopts an identical rule will receive automatic EPA approval. Once in the state plan, companies may freely engage in trades without prior regulatory agency approval as long as emissions tracking and accountability protocols are followed in accordance with the rule.

The guidance provided in this generic rule will also serve to facilitate adoption by states of emissions budget or cap-based trading programs.

Federal leadership in crafting model rules and guidance will permit States to exploit the significant opportunities for market-based programs inherent in the 1990 amendments.

2. Effluent trading in watersheds

Action: Implement effluent trading on a national scale as a cost-effective approach for reducing water pollution.

Background: Under the Clean Water Act, "point source" dischargers (industrial and municipal facilities that discharge wastewater through pipes into rivers and streams) are required to reduce pollution to meet water quality standards. Dischargers have traditionally met these standards uniformly at each discharge pipe.

Under an effluent trading program, a discharger that can reduce pollution below the minimum level required to meet water quality standards can sell its excess pollution reductions to other dischargers within the same watershed. This can have several desirable effects. First, it allows dischargers to take advantage of the economies of scale and the treatment efficiencies that vary from discharger to discharger; thus, it may reduce the total cost of compliance for all dischargers in the watershed. Second, it creates an economic incentive for dischargers to go beyond minimum pollution reductions and encourages pollution prevention. Finally, by encouraging more timely action to reduce pollution, it may prevent future environmental degradation more effectively than traditional command-and-control approaches.

Trading programs can also be established for other sources of water pollution, including "nonpoint sources" (e.g., run-off from arms) and "indirect" dischargers (companies whose wastewater is treated by a municipal sewage treatment plant).

Depending upon the type of effluent trading implemented, the cost savings can be considerable. EPA has estimated potential cost savings for three types of effluent trading:

- \$611 million to \$5.6 billion for point source/nonpoint source trading - \$8.4 million to \$1.9 billion for point source/point source trading - \$658 million to \$7.5 billion for trading among indirect dischargers

Description: EPA will encourage effluent trading by:

Establishing a framework promoting different types of effluent trading

Issuing policy guidance to permit writers confirming EPA support for effluent trading for pollution reduction above technology-based minimum levels Providing technical assistance in preparing analyses of the total amount of permissible pollution in a watershed (the technical cornerstone for water quality analysis and watershed trading)

3. Refocus hazardous waste regulation on high-risk wastes

Action: Better target private industry and government resources toward higher-risk environmental problems related to hazardous waste management.

Background: EPA's hazardous waste regulations have been effective in assuring that hazardous waste is safely treated, stored and disposed of. However, some of these regulations require all hazardous wastes to meet the same management standards and do not tailor standards to the nature or degree of risk posed by particular wastes.

Description: EPA plans to make the following major changes to better focus its hazardous waste regulations on high-risk wastes and reduce impediments to recycling:

Hazardous waste identification rule -- To better align hazardous waste regulatory requirements with the risks being controlled, the Agency will propose a rule this year to allow low-risk listed hazardous wastes to exit the hazardous waste regulatory scheme. This rule has been developed through a multi-stakeholder, consensus-based process.

Contaminated soil, ground water and surface water -- EPA will allow states greater flexibility in determining the appropriate way to regulate soil, ground water and surface water which is contaminated with relatively small quantities of hazardous waste. The expense and difficulty of managing high-volume, low-risk wastes as hazardous wastes can impede cleanup.

"Universal wastes" -- Many discarded batteries, thermostats and pesticides are now regulated as hazardous wastes. Retail outlets and other businesses are reluctant to collect these items for recycling because of the expense and complexity of the regulatory requirements. EPA will promulgate a rule this year which will significantly reduce regulatory requirements (including paperwork) for retail outlets and other entities that collect these materials for recycling. In the future, EPA and States may include other appropriate hazardous wastes in this special collection scheme.

"Common-sense" definition of solid waste -- EPA will modify its regulations defining when hazardous materials which are recycled, recovered or reused are "wastes" and thus subject to EPA hazardous waste regulations. The Agency's goal is to reduce impediments to environmentally sound recycling and to simplify and clarify its regulations. Developed with extensive participation by interested parties, this rule will establish a simplified regulatory framework for all industries, as well as tailored approaches for selected key industries.

By April 15, EPA will convene a multi-stakeholder process to identify a legislative package of "rifle shot" reforms to fix provisions of RCRA that result in high costs and marginal environmental benefit. If the group is unable to reach a consensus, the Administration will consider the views of all participants and deliver a reform package to Congress by July 15.

4. Focus drinking water treatment requirements on highest risks

Action: Focus the EPA drinking water program on the highest risks and cut costs and increase flexibility for states and water suppliers.

Background: The 1986 amendments to the Safe Drinking Water Act (SDWA) required EPA to issue national standards for 83 contaminants in 1989 and 25 additional contaminants every three years thereafter. This regulatory "treadmill" is now widely recognized as diverting resources from high priority risks to lower priorities. These regulations have had the effect of requiring expensive monitoring, especially for small systems that provide water to the public, and have imposed high oversight costs on States.

Description: During the SDWA reauthorization effort, the Administration emphasized:

Targeting regulations on substantial health risks

Retaining State management of drinking water programs

Providing funding and technical assistance for small systems that provide drinking water to the public

Reducing monitoring burdens

Preventing pollution by effectively protecting drinking water sources

EPA will improve the performance of the drinking water regulatory program -- without the need for legislative changes -- in three areas:

Establishing priorities for rulemaking based on health risks. EPA is seeking a delay for all court schedules for drinking water and, based on a reassessment of health risks posed by contaminants in drinking water and consultation with all stakeholders on regulatory priorities and approaches, EPA will set new priorities and schedules for drinking water rulemaking.

Encouraging voluntary treatment. EPA is working with water suppliers and States to develop a voluntary program to improve the treatment of drinking water so as to reduce the occurrence of bacterial and other microbiological pathogens.

Simplifying monitoring requirements. EPA will streamline monitoring requirements for chemical contaminants in drinking water and allow further "tailoring" of monitoring based on the existing quality of the drinking water source.

5. Expand use of risk assessment in local communities

Action: Promote risk-based decision making in communities and States by providing training and easy-to-use risk assessment tools.

Background: EPA uses risk assessment in most of its decisions -- from setting standards to clean-up of contamination. However, while some States and communities are proficient in risk assessment, most are not. The general public is not familiar with how risks are assessed, what assumptions are being made, and how they affect the outcome. Simplification of risk assessment methods and development of tools that non-specialists can understand and apply is needed so that risk assessment can be used more broadly as one tool to inform local decisionmaking.

Description: EPA will work with communities and states to identify available tools that meet specific community needs. This project will initially focus on four activities:

Computer programs -- EPA will make available computer software, including the "Risk Assistant" program, that allows communities to perform simple risk assessments.

Data bases -- There are a number of data bases, such as the Integrated Risk Information System (IRIS), that contain information about specific chemicals and that are used in preparing risk assessments. The combined use of these data bases, community-specific exposure information, and simple risk assessment programs will enable communities to conduct risk assessments. EPA will develop a simple, consolidated user friendly data base (on a CD ROM) that can be supplied to communities at cost.

Training and information materials -- While the computer program and the data bases will allow risk assessments to be done in a much easier fashion, training and background information on risk assessment are also needed. EPA will prepare a set of background documents on risk assessment and a training course on the application of risk assessment tools. Ultimately, EPA plans to develop a self teaching course using video and other electronic means.

Comparative risk techniques -- The comparison of risks involves combining technical aspects of risk assessment with social values. EPA will continue to develop comparative risk approaches, through state and local demonstration projects.

6. Flexible funding for states and tribes

Action: Award grants to states and tribes that combine funds from several EPA grant programs -- to allow flexibility, so that limited resources can be directed to the most significant problems.

Background: EPA provides several grants to states and tribes to assist them in administering environmental protection programs. In FY 1995 approximately \$600 million will be awarded to states and tribes for program implementation of the Clean Air Act Amendments, Clean Water Act, Safe Drinking Water Act, Resource Conservation and Recovery Act, and other statutes. Funds awarded in each of these categorical grants are for a specified program or activity and are subject to specific limits on eligible activities.

The states and tribes have difficulty integrating programs in a common sense way, or targeting funds to highest priority environmental problems. Recognizing this problem, the Agency has been awarding grants to Indian tribes to conduct planning and to develop and establish multimedia programs. In FY 1995, EPA is conducting demonstration projects with four states to enable them to better coordinate certain activities such as watershed protection and facility inspections, which are currently conducted under separate EPA grants. These demonstrations are being run using existing authority -- which is limited and cannot be expanded to cover the full range of state and tribal environmental protection needs.

Description: The Administration will seek legislative authority for FY 1996 to award Performance Partnership Grants to states and federally-recognized Indian tribes. If the Agency receives this authority, Performance Partnership Grants will enable eligible states and tribes to combine funds which would otherwise be awarded as categorical grants.

The major benefit of Performance Partnership Grants will be to improve the ability of states and tribes to integrate programs. They will afford states and tribes flexibility to focus resources on the most serious environmental problems. Performance Partnership Grants will encourage broad intergovernmental dialogue, and encourage public participation in environmental decision making.

7. Sustainable development challenge grants

Action: Encourage community, business, and government to work cooperatively to develop flexible, locally-oriented approaches that link place-based environmental management with sustainable development and revitalization.

Background: Significant accomplishments to improve the environment have occurred over the past 20 years. To ensure continued progress in environmental protection, EPA wants to help localities develop comprehensive, place-based management strategies that relate sustainable economic development with sound environmental practices. The concept of this pilot grants program is to challenge communities to produce their own coordinated programs within legislatively-set national objectives.

The intent is to spark innovative and sustainable economic development which is linked to comprehensive ecosystem management and environmental performance. These grants will provide seed funding to catalyze formation of a coalition of stakeholders who will develop and implement a program to comprehensively address local environmental problems.

Description: Patterned after the Empowerment Zone/Empowerment Community Initiative, this sustainable development challenge grant will be a nationwide competition, with awards based on the proposed project's level of stakeholder involvement, project funding requirements and the proposal's demonstration of availability of other sources of funds.

The process will be open to states, regions, or localities. The application process would include demonstrating the relationship of the project to a comprehensive, cross-media, environmental needs assessment of the area, the preparation of which would necessitate local stakeholder participation and involvement. Challenge grant recipients must leverage direct private sector investment in place-based environmental protection. Any variance from the approved needs assessment would be reviewed at the regional level. Eligibility for all subsequent challenge grants will take into account the demonstrated effectiveness of prior challenge grants.

8. Regulatory negotiation and consensus-based rulemaking

Action: Increase the use of regulatory negotiation and other consensus-based decision processes.

Background: EPA has been a pioneer in the use of consensus-based decisionmaking to develop regulations. In the most formal of these consensus-based approaches --regulatory negotiation ("reg neg") -- EPA and representatives of all major groups affected by a particular regulation try to reach agreement on regulatory requirements. This process not only improves the quality of rules, but increases public acceptance and minimizes litigation. Even when full agreement cannot be reached, regulatory negotiation can help identify issues and options, educate interested parties and narrow areas of dispute.

Although regulatory negotiation is the most well known consensus-based procedure for developing rules, EPA has experimented with other less formal methods to consult with affected parties, promote useful information exchange, and find common ground on controversial issues. These range from continuous policy dialogue to ad hoc discussion forums to Public meetings and focus groups.

Description: After a number of years of successful experimentation with regulatory negotiation and other consensus- based rulemaking tools, EPA will now routinely evaluate the appropriateness of using consensus-based rulemaking every time it issues or revises a regulation. By June 1, 1995, EPA will examine all regulations currently under development and identify candidates for regulatory negotiation and other forms of consensus-based decision-making.

The Agency will also seek to expand its use of informal negotiation in other settings, such as the current practice of negotiating test rules to determine unknown risks of existing chemicals under the Toxic Substances Control Act.

9. 25% reduction in paperwork

Action: By June 1, 1995, identify obsolete, duplicative and unnecessary monitoring, recordkeeping and reporting requirements -- with a goal of ultimately reducing existing paperwork burdens by at least 25%.

Background: Virtually all EPA programs require regulated entities to undertake environmental monitoring, to maintain records and to periodically report information to EPA. The information generated by these requirements is used to determine what pollution controls are necessary, to ensure compliance with pollution control requirements, and to obtain information on the impact of pollution and pollution controls on the environment.

Most of EPA's information collection requirements have been developed at separate times over many years to meet the needs of individual environmental programs (e.g., the hazardous waste program, the water pollution program). As a result, some of the requirements are not well-coordinated within or across programs and are duplicative or inconsistent. Some requirements are also not well-integrated with State programs for collecting environmental information. Finally, some requirements have not been reviewed recently to ensure that they are still necessary and that they reflect the latest developments in monitoring techniques, environmental management and information collection technology.

Description: By June 1, 1995, EPA will review all of its monitoring, recordkeeping and reporting regulations to identify requirements which are obsolete, duplicative or unnecessary, and which can be corrected quickly through administrative or regulatory actions. When this initial review is completed, EPA will commence rulemaking to make appropriate changes. Throughout calendar year 1995, EPA will work extensively with States, local governments, industry and environmental groups to determine other requirements that should be revised or eliminated and what types of revisions are necessary. At the end of the year, EPA will announce a broader program of paperwork reforms that will entail numerous rule-by-rule revisions.

EPA's ultimate goal is to reduce existing monitoring, recordkeeping and reporting burdens by at least 25%, giving special emphasis to requirements imposed on States, localities, and small business. To attain this goal, EPA plans to fully examine not only the need for requirements, but also how essential information can be collected and provided at lowest cost. Among other things, the Agency will test the use of "one-stop" reporting (see High Priority Action 9) and explore how technology (such as electronic data interchange) can be used to reduce paperwork burdens and improve the timeliness and usefulness of information received.

10. One-stop emission reports

Action: Consolidate environmental reports and provide "one-stop" reporting for the regulated community.

Background: Environmental data is collected by EPA and its state partners under a variety of statutory and regulatory authorities. This approach is potentially duplicative and burdensome to industry, and also makes the use of data by the public (and even by EPA and the states) difficult. New approaches and information systems are needed that can reduce reporting and paperwork burdens for industry, foster multimedia and geographic approaches to solving environmental problems, and provide the public with meaningful, real-time access to environmental data.

Description: To replace the multitude of reporting forms currently required for all the different types of pollution discharged from a single facility, EPA will create a "one-stop" reporting system for the collection of routine emissions data. EPA will also provide easy public access to this environmental information.

Achieving this goal will require a fundamental re-engineering of how EPA, the states and the regulated community manage information. Given the magnitude of this change, this initiative will be developed in stages. Eventually, this new system will create a common set of basic information for all programs, starting with unified facility identification information and a common chemical nomenclature. Pilot projects with the states and industry will be used to evaluate and refine the "one-stop" program.

Of course, information such as discharge monitoring and emergency release reports that are essential components of the compliance program would continue to be submitted.

The easy public access and consolidated reporting provided by the one-stop system will improve environmental information management and save industry, states, municipalities and the federal government time and money.

11. Consolidated federal air rules

Action: For any single industry, such as the chemical industry, all Federal air rules will be incorporated into a single rule with one set of emission limitations, monitoring, recordkeeping and reporting requirements.

Background: Over the past 25 years, EPA has issued a series of national air regulations, many of which affect the same facility. Some facilities are now subject to five or six national rules, often affecting the same emission points. Each rule has emission control requirements as well as monitoring, recordkeeping and reporting requirements.

These requirements may be duplicative, overlapping, or worse -- contradictory. It is often difficult for plant managers to determine compliance strategies to satisfy all requirements and for State and local permitting agencies to determine the applicability of different requirements for permitting purposes. Resources are often wasted by both industry and states and localities in "sorting out" and complying with the panoply of multiple requirements. Moreover, as the Agency continues to issue new air toxics rules, as mandated by the CAA, the problem is compounded.

Description: Whenever one of the new air toxics rule is written, all existing Federal rules applicable to the industry sector will be reviewed to determine whether their provisions either need to be eliminated or incorporated into the new rule. Affected industries will be consulted to identify duplicative and conflicting provisions and to provide assistance in drafting the single rule.

The chemical industry has agreed to work with EPA's air programs to explore this approach. If the approach is successful with the chemical industry, it will be expanded to air rules for other industry sectors. EPA will then consider extending this program to water and waste requirements.

12. Risk-based enforcement

Action: Target enforcement, through a series of coordinated actions, to violations that present the most serious threats to human health and the environment.

Background: Enforcement actions are most valuable when they deter violations that could cause serious harm to the environment or public health. Directing enforcement actions according to risks and patterns of noncompliance will make the most effective use of limited resources. Additionally, reducing inspections of facilities with good compliance records will free up resources for the most serious noncompliance and risk problems.

Providing greater access to data about compliance history and environmental performance will help State programs set priorities. Additionally, making this information available to the public will allow communities to track progress and compare similar facilities. It may also lead to development of objective environmental performance ratings by private sector organizations.

Description: To guide EPA enforcement actions by the significance of the environmental and health risk, EPA will:

Require enforcement personnel to calculate the environmental benefits of each enforcement case -
- beginning this year

Reduce inspections of wastewater discharges and hazardous waste facilities that have outstanding compliance records

Provide the public with data on compliance history and environmental performance for facilities within at least five industrial sectors -- by the end of 1995

Evaluate six risk assessment methodologies, and by September, 1995, identify one or more that may be used to assess the relative risk of specific facilities based on emissions to all environmental media. These methodologies will then be submitted for scientific peer review.

13. Compliance Incentives for small businesses and communities

Action: Allow small businesses, which are minor sources of pollution and which receive compliance assistance, a six-month grace period to correct violations.

Background: Even small businesses that are minor sources of pollution may collectively have a substantial impact on the environment. In order for states to achieve local air and water quality standards, new ways need to be found to bring these sources into compliance.

Many small businesses want to be good citizens in their communities, but need information about how to comply with environmental requirements. Some are unlikely to ask for help because they fear possible enforcement action. Many states view as futile enforcement against small companies that often lack the ability to pay any significant penalty. States are more interested in using inspection staff to provide compliance assistance.

Description: EPA will provide small businesses which are minor sources of pollution a grace period of up to six months to correct violations identified by federal or state compliance assistance programs. No penalties or enforcement actions will be assessed for any violations discovered through participation in these programs, and corrected during the grace period. EPA will exercise its discretion to extend the grace period for facilities that are making a good faith effort to comply, but need additional time. A similar approach will be used for small communities.

A grace period will encourage companies to request help and to achieve compliance. The program includes appropriate safeguards to protect public health and the environment. For example, the grace period will not be available to shield criminal conduct or delay action to correct violations that present a serious threat to public health and the environment.

EPA has experimented with this approach under the Clean Air Act. EPA is now extending the approach to violations of other statutes.

14. Small business compliance assistance centers

Action: Establish national compliance service centers for metal finishers, printshops, auto service stations and other small business sectors that face substantial federal regulation.

Background: Certain small business sectors face substantial compliance costs under more than one of EPA's programs. Noncompliance rates are high in these industries. In order to achieve compliance, small businesses in these industries need requirements explained in plain English, cost-effective waste prevention opportunities identified, and paperwork held to a minimum.

States and trade associations sometimes provide technical assistance to these sectors, but efforts tend to be ad hoc or fragmented. In this initiative, the federal government will serve as "wholesaler" of information, to support state programs and trade associations that provide "retail" services to small business customers.

Description: EPA will establish national compliance assistance centers that will:

Assist state and local agencies and trade associations to develop "plain English" guides to regulations

Identify low-cost strategies to achieve compliance

Develop ways to consolidate reporting and cut paperwork for client industries

EPA and the Department of Commerce will jointly announce the establishment of a national compliance assistance center for metal finishing this spring, and new centers for auto service stations and the printing industry later this year.

The long term plan is to establish one national compliance center for each small business sector, which would work with the trade association and state programs providing technical assistance for that particular industry.

15. Incentives for auditing disclosure and correction

Action: Establish a new compliance incentive policy for regulated entities that audit their own operations, and agree to voluntarily correct and publicly disclose violations.

Background: EPA's enforcement policies should encourage compliance with the law and voluntary disclosure and correction of violations. Such policies promote cooperation, rather than confrontations in enforcement.

Description: EPA will institute a compliance-incentive policy for regulated entities with a record of compliance with environmental laws. Under this policy, regulated entities will face penalties no greater than the economic benefit gained from any violations. In addition, EPA will effectively waive penalties for minor violations, as well as more punitive "gravity based" penalties. EPA will not conduct criminal investigations of companies that voluntarily disclose and promptly correct violations.

This policy takes effect on April 18, 1995. The Agency will develop more detailed guidelines based on a consultative process with state, industry, and public interest groups.

EPA will continue to recover the economic benefit that companies may have gained from violations, to preserve the level playing field for those who make an early investment in compliance. The policy also includes safeguards to prevent abuse. For example, penalty reductions would not be available for criminal conduct, violations that result in serious environmental harm, repeat violations, or involuntary disclosures. EPA also reserves the right to investigate any individual or employee for criminal misconduct, even when not proceeding against a corporation.

EPA's proposal offers a positive alternative to across-the-board privileges and immunities that could be used to shield criminal misconduct, drive up litigation costs, and create an atmosphere of distrust between regulators, industry, and local communities.

16. Self certification

Action: Eliminate unnecessary paperwork and review associated with permitting and registration - beginning with pesticide registration and expanding to other program areas.

Background: Self certification means that regulated parties may notify EPA that they are in compliance with EPA's requirements, and EPA then accepts that certification rather than reviewing the company's performance. Self certification may offer substantial savings for the regulated businesses and for regulatory agencies. Pesticide registration, for example, is one area where significant time and cost savings are likely:

Self certification for low-risk amendments to product registrations will reduce EPA's work load and greatly accelerate approval of many amendments. Approximately 20% of the 6,500 amendments received annually may qualify for self certification, which would result in a time savings for each action of three to four months.

Self certification of acute toxicity studies will speed applications for new products by eliminating the need for EPA to exhaustively review data. Many of the 600 applications with data received each year would benefit from these changes.

A computer program which determines the proper precautionary ("warning") labeling for a product will enable registrants to submit correct labeling and help EPA staff to assure that labeling is acceptable. This computer program could reduce review time by five to six months and help minimize the number of applications which are rejected for incorrect labeling.

Description: EPA will pilot a program to test standards for self-certification of compliance with specific companies. Self certification, if publicly credible, can offer an alternative to traditional government inspections. In addition, EPA will substantially streamline the pesticide product registration process -- using self certification.

In broader application, self certification could reduce reporting of activities which do not involve environmental measurements or significant risk. For example, self certification could extend to certain requirements of the Clean Water Act for certain types of used chemicals and the Clean Air Act under parts of the Enhanced Monitoring Rules.

17. Public electronic access

Action: Make information from all EPA programs available through the Internet and other electronic means that Americans and local organizations can access in their homes, schools and libraries.

Background: EPA's public access program will enable the public, as well as State, tribal, and local governments, to be full partners in the Agency's comprehensive approach to environmental protection. An informed public is better able to recognize and protect itself from environmental risks and to ensure that environmental issues are addressed equitably.

Description: EPA will immediately upgrade the electronic communication of environmental information by:

Significantly expanding the type and amount of information EPA puts on Internet, such as regulations, scientific documents and educational materials

Automating EPA rulemaking dockets and loading them onto Internet to encourage increased public participation in the rulemaking process

Making EPA's EARTH1 Internet server more user friendly, and expanding its capacity to host online dialogue with the public

Implementing and enhancing the EPA Government Information Locator Service, so that people can more easily and quickly track down specific documents and information

Providing easy access to data on major facilities and their pollutant discharges through EPA's Envirofacts database and the user friendly Gateway systems software on Internet. This will allow citizens to obtain information about environmental issues in their communities

As EPA expands its electronic information systems, it will assure that all members of the public have access to these systems regardless of social, economic, and academic status. EPA will work to build strategic partnerships with State, tribal and local governments, as well as non-governmental and commercial organizations that provide environmental information, to ensure that all environmental information is widely available. The Agency will also establish "one stop" information centers for the public; projects include instituting a "1-800-EPA-INFO" telephone number and upgrading Headquarters and Regional public information centers.

18. EPA center for environmental information and statistics

Action: Establish an EPA center to harmonize EPA information collection and management, and provide for public access to quality assured environmental statistics and information.

Background: Environmental information will become increasingly important as EPA expands its performance and market-based management approaches. Additionally, as environmental protection is decentralized -- to states, tribes and communities -- reliable information about the condition of the environment will be needed to ensure that programs are achieving desired results. EPA will establish a customer-oriented center that will provide information and statistics on national, regional and local environmental conditions and trends that are integrated across environmental programs. The center's main function will not be to collect primary data -- it will instead focus on the integration of data collected by others. Through the center, EPA will be better able to address fundamental cross-media questions such as: What pollution sources are causing the most damage? How do geographic regions compare? How effectively are we dealing with environmental problems?

Description: EPA will establish, through a cooperative effort with all EPA programs, regions and laboratories, a new center that will be responsible for:

Coordinating with federal, state and local environmental agencies that produce and use environmental data and information

Harmonizing EPA environmental data

Conducting cross-media assessments of data needs directed at reducing duplication and reporting burdens

Assisting EPA programs in the development of statistically valid survey designs and the use of statistical sampling of information

Providing statistical methods for integrating data from different federal agencies, states and localities

Assisting in design of studies to assess effectiveness of environmental programs and strategies (e.g., pollution prevention), and in presentation of environmental information in ways that promote a multimedia perspective

Improving public access to environmental statistics and data through the establishment of statistical data bases and systems which allow user access to all levels of data -- from the raw data to highly processed information.

19. Project XL

Action: Support initiatives by facility managers to demonstrate excellence and leadership by reducing costs of environmental management and achieving environmental performance beyond that required in existing regulations.

Background: Numerous firms and facility managers have determined that routine application of national environmental requirements is not always the best solution to their environmental problems. In particular, those with a record of environmental leadership have found that substantial cost savings can sometimes be realized, and environmental quality enhanced, through more flexible approaches involving pollution prevention. For example, a company may find that upgrading its wastewater treatment system to meet Clean Water Act technology-based requirements would have a negligible impact on water quality, and that it could achieve greater overall environmental protection by redirecting its pollution control efforts toward programs to minimize hazardous emissions from unregulated sources, to recycle hazardous wastes and to reduce the use of toxic chemicals in the manufacturing process.

Description: On a demonstration project basis, EPA will support company projects to replace existing regulatory requirements with alternative environmental management strategies where the company can demonstrate that such strategies will achieve better environmental results than expected to be achieved under existing law. In deciding whether to approve a particular strategy, EPA will consult extensively with the affected State and the local community. The final strategy will be embodied in an enforceable document and contain provisions that will allow EPA, the State and the community to monitor progress toward achieving results. This initiative is intended to provide more flexibility for those "good actors" and environmental leaders that have developed creative, common sense ways of achieving superior environmental protection at their facilities. Because it raises a number of complex issues (e.g., how to measure environmental results, how to establish an environmental baseline) which need to be worked out in the implementation process, EPA is proposing to test it on a pilot basis. Facilities of companies participating in the Common Sense Initiative, as well as other facilities selected by EPA, will be eligible to participate in this program. Potential benefits of this initiative include:

1. Increased flexibility to adopt innovative solutions to environmental problems
2. Increased (and more cost-effective) environmental protection
3. Improved compliance and increased use of innovative technologies
4. Expanded use of waste minimization and pollution prevention strategies
5. A more cooperative relationship between regulators, the facility, and the community

20. Alternative strategies for sectors

Action: Support and evaluate the use of EPA-industry agreements to reduce cost and achieve full protection of human health and the environment through flexible, comprehensive management approaches.

Background: Regulators generally do not have an overview of the entire set of requirements affecting an industry sector. Often, environmental regulations cover a wide variety of industry sectors and take a relatively uniform approach in terms of the requirements imposed on those sectors. In other cases, regulations are developed with specific individual sectors in mind, but typically cover only one or a few of many pollution source categories within the sector. The result is that companies are not generally able to plan environmental compliance investments in a comprehensive, strategic manner. This limits opportunities for pollution prevention and raises the total cost of compliance.

An alternative approach is to design requirements that respond to the conditions in an industry sector. Based on such designs, EPA and industry groups would voluntarily negotiate agreements incorporating these requirements. EPA-industry agreements would be supplemented by company-level agreements that translate the industry-wide commitments into obligations for specific companies and facilities.

Description: The six industries participating in the Common Sense Initiative (CSI) will be the initial candidates from which 2-4 industries will be selected. Selection will be based both on industry willingness and on the interest of other CSI stakeholders in applying the agreement approach to a specific sector. Once an industry has been selected, CSI stakeholders will try to agree on the environmental improvement goals to be met by the sector as a whole, and the best means of translating the sector-wide goal into a company-specific improvement target.

An explicit goal of this project will be to identify the feasibility of using industry agreements as a complement to, or as a replacement for, the current system of establishing industry and facility environmental requirements. Industry agreements will operate on a substantially larger scale than facility-specific agreements. This may mean greater opportunities to identify cost-effective means of achieving environmental quality goals, as well as economies of scale for monitoring, employee education and public participation. It may also be a way for small businesses within an industrial sector to participate where it would not be possible at the facility-specific scale.

21. Alternative strategies for communities

Action: EPA will support the development and implementation of community-driven strategies to integrate environmental quality and economic development goals at the local level.

Background: Continued progress in achieving environmental quality and economic development will depend on greater involvement of communities in designing local solutions to local problems. In the current regulatory structure, local communities are seen as implementors of Federal or State programs rather than as designers of effective environmental strategies.

Community-based environmental management includes local assessment and ranking of environmental problems, community education about these problems, and locally-developed strategies to address them. These strategies can be reinforced by leveraging regional and strategic planning; through technical assistance and information tools; and, by facilitating intergovernmental and public-private partnerships.

Community-based environmental strategies must be integrated with, and supportive of, community economic development goals.

Description: In this limited pilot program, EPA, working with other federal agencies as appropriate, will build upon the experience gained in the Administration's Empowerment Zone and Ecosystem Management Initiatives. The agency will assist a limited number of communities (towns and townships, counties, cities, metropolitan areas) in developing and implementing alternative strategies to achieve environmental quality and economic development goals. Two kinds of communities will be considered:

1. Communities which propose alternative environmental management strategies that make more sense in a particular community or geographic area and that will exceed existing environmental requirements. These strategies could benefit from a wide range of innovative planning and financing approaches, but would be expected to meet existing legal deadlines.
2. Communities which lack the financial or technical resources to meet existing requirements, but are willing to enter into enforceable agreements to make progress toward meeting environmental standards. These agreements would often extend across more than one environmental program area and would recognize the need for flexibility in approach or timing.

Both approaches will involve setting and achieving verifiable environmental results, as well as citizen or community participation in setting goals and monitoring results.

22. Alternative strategies for agencies

Action: Demonstrate alternative environmental management strategies -- that lower cost and produce greater environmental quality -- at selected Department of Defense installations.

Background: Government installations face challenges similar to industrial facilities and communities in complying with environmental regulations at lowest cost. Government agencies are interested in testing management alternatives that can replace EPA's traditional ways of doing business. EPA will establish a government sector project, beginning with Department of Defense, that will identify ways of achieving greater environmental results than are possible under existing regulatory requirements -- at less cost to the taxpayer.

The common theme of this pilot program is to make government agencies more accountable for achieving environmental results while granting them greater flexibility in how those results are achieved. EPA will seek to involve state and local environmental officials in the design, selection, implementation and review of pilot projects and the program as a whole. It will also seek to empower citizens in surrounding communities in the environmental management process.

Description: EPA and the Department of Defense (DoD) have established a partnership to test alternative environmental management strategies at selected DOD facilities. Under this initiative, DoD base commanders, in cooperation with EPA and with relevant state agencies, will develop and implement strategies that produce greater environmental protection than would be achieved under existing regulations.

A major focus of these actions will be near-term investment in pollution prevention approaches that reduce compliance and remediation costs in the long run.

To ensure full citizen involvement in this process, DOD will produce high quality and understandable environmental information that allows citizens in the communities surrounding DOD installations to fully participate in the decisions.

EPA will provide technical support for all EPA program areas (i.e., water, air, waste). Strategies developed under these projects will be enforceable and results will be independently verified.

23. Piloting third-party audits for industry compliance

Action: Test standards for third-party auditing through Environmental Leadership pilot projects with specific companies.

Background: Many companies conduct periodic audits of their operations to determine whether they are in compliance with environmental requirements. While most of these audits are conducted by company employees, some are conducted by environmental consulting firms or other independent environmental experts.

If thorough and reliable, these private "third-party" audits can help provide independent verification of a company's environmental performance and compliance without the direct expenditure of government resources. Thus, third-party auditing can help EPA better focus its inspection resources on non-complying facilities.

Description: EPA will work with industry, States and environmental groups to test standards for third-party auditing. These standards will include:

1. Procedures that auditors must follow to detect violations and prevent non-compliance
2. A requirement for periodic EPA inspections to verify the accuracy of audit reports
3. Mentoring projects to help small businesses achieve compliance
4. Requirements concerning the public availability of audit results.

EPA's project will build on existing private sector standards.

On April 1, EPA will announce pilot projects to test third-party auditing with twelve partners from the public and private sectors. The Agency expects to complete these projects within one year.

24. Multi-media permitting

Action: Pilot test "one-stop" permitting to reduce paperwork and procedural burdens, avoid duplication and inconsistencies, and assure more comprehensive environmental protection.

Background: Many facilities must obtain multiple environmental permits in order to operate, addressing releases of pollution to several environmental media (e.g., air, water, soil). In many cases, these permits are issued at different times and by different permit authorities.

The absence of a single, coordinated permitting process has created problems for both permittees and regulators. Permittees frequently find themselves preparing multiple applications and going through multiple permit proceedings to obtain all the necessary permits for a single facility. Multiple permits may not adequately address all environmental problems (as some problems may "fall through the cracks"). Further, because they do not address environmental problems holistically, multiple permits may result in the undesirable crossmedia transfer of pollutants. Finally, these permits may contain overlapping, poorly coordinated and contradictory requirements.

Description: EPA will pilot test the feasibility of issuing a single environmental permit for facilities which currently require multiple permits. Permittees at pilot facilities would submit a single application for a single permit setting forth all the pollution control and clean-up requirements for that facility. EPA will work with the permittee, the affected State and local communities to assure that all releases from a facility are addressed, that permitting requirements for all media are well-integrated, and that duplication and inconsistencies are avoided. This approach will promote "common sense" solutions to multimedia pollution problems and encourage the use of pollution prevention.

In addition, EPA will establish multimedia Regional permitting teams to better coordinate the issuance of multiple permits to individual facilities. This will be a useful "first step" in testing the feasibility of the multimedia pilot program described above.

25. Design for the Environment -- "Green Chemistry Challenge"

Action: Promote pollution prevention and industrial ecology through a new EPA Design for the Environment partnership with the chemical industry.

Background: Design for the Environment partnerships with the chemical industry can encourage changes that both promote economic development and benefit the industry by helping find cost-effective ways to prevent pollution. Publicity associated with the awards program, coupled with financial prizes provided by the chemical industry, can provide a strong incentive for broad industry cooperation.

Description: The program would set up financial incentives and an EPA award system for companies that address the following pollution prevention goals:

1. Making more chemicals from renewable resources. By increasing the use of renewable resources in the development of chemicals, the amount of toxic inputs would be reduced.
2. Substituting new, safer solvents that do not contribute to air pollution. Since the use of traditional solvents contributes to a wide range of air pollution problems -- including stratospheric ozone depletion and smog -- companies will be asked to find processes where new, safer solvents can be used.
3. Designing chemicals that are manufactured more safely and that are safer for the environment.

The challenge is for industry to find cleaner, cheaper and smarter ways to produce the materials we depend on. EPA will work cooperatively with industry to establish this program, provide technical assistance in designing safer processes, and track the reductions achieved in the use, manufacture, and release of harmful chemicals.

APPENDIX B

OTHER SIGNIFICANT ACTIONS

Performance and market-based regulations

1. Facility-wide air emissions. EPA will conduct several demonstrations of facility-wide limits for air emissions that allow companies increased management flexibility and to use least-cost control options. This approach will significantly reduce the amount of time industry must devote to permitting activities and save millions of dollars in permitting costs.

2. Flexibility in meeting effluent discharge deadlines. EPA will propose targeted Clean Water Act revisions to extend compliance schedules for industrial wastewater treatment standards, for companies that apply innovative treatment approaches that prevent pollution. This will create incentives for pollution prevention.

Setting priorities based on sound science

3. Eliminate millions of storm water permit applications. EPA will set up a formal process with all stakeholders to limit storm water control requirements to only those facilities where a water quality problem exists. This would exempt millions of sites (small municipalities, and light industry and commercial sites -- nearly 80% of the universe now subject to regulation) without any significant impacts on water quality.

4. Exempt low-risk pesticides and toxic chemicals from regulation. EPA is proposing to exempt 31 low-risk active ingredients and 160 inert ingredients from pesticide regulation (resulting in substantial economic benefits to manufacturers). A similar exemption will be proposed for low-risk chemicals under TSCA, for which manufacturers must now submit premanufacturing notices. This action could yield a 25% reduction in this notification.

5. Environmental forecasting to anticipate future environmental problems. EPA will establish a program to help identify and study emerging environmental problems. This anticipatory effort will attempt to lessen the need for rapid future decisions made using a weak science base, and should enable the United States to avoid expensive environmental control and clean-up programs. This activity will be guided by a new report by the EPA Science Advisory Board (Beyond the Horizon: Using Foresight to Protect the Environmental Future, 1995).

Building Partnerships

6 State and tribal flexibility for municipal landfill permits. EPA will encourage states and tribes to implement a flexible, performance-standard approach for permitting municipal landfills. EPA will propose criteria for approving state and tribal programs that regulate municipal landfills. This action will enable tribes and states to implement a flexible, performance-based approach.

Cutting red tape

7. Save billions on PCB disposal. EPA will revise the PCB disposal regulations -- by reducing the number of permits required, by eliminating duplicative state and Federal controls, and by (most importantly) giving states and the regulated community the flexibility to choose less expensive disposal methods to achieve health standards. The estimated savings from this action is two to six billion dollars per year, for as much as thirty years.

8. Simplify air permit revision requirements. EPA will develop a streamlined process for revising air quality permits. This will enable a state to build on its existing programs and avoid creating unnecessary and prescriptive regulations. This may save thousands of review hours and millions of dollars.

9. Simplify review of new air pollution sources. This first major reform in 15 years will provide greater flexibility, significantly reduce the number of industry activities that are subject to major new source review, reduce time delays in permit issuance, and create incentives for use of innovative technologies. The project will reduce regulatory burdens for many facilities and should result in at least 25 percent fewer permit reviews.

10. Simplify water permit paperwork. EPA will reduce the paperwork burdens for municipalities and businesses by simplifying the permit application forms for water discharges.

11. Streamlining RCRA corrective action procedures. EPA will promote "faster, better" cleanups under RCRA. The Agency will propose a rule that responds to a number of promising ideas that were identified through discussions with outside stakeholders, such as reducing government oversight and expediting use of interim protective measures. This rule could save two billion dollars annually.

Better accountability, compliance and enforcement

12. Flexible compliance agreements for specific industries. Working with industries, EPA will develop experimental EPA/Industry Compliance Agreements to allow companies to disclose violations and correct them in a timely manner. In exchange for these voluntary disclosures, EPA would agree to reduce the size of the penalties. The agreements will provide a specified time period during which industry may come to EPA and sign the agreement.

The power of information

13. Independent study on collecting and using information more effectively. EPA will commission an independent study that will provide recommendations to improve data collection and management at EPA. These recommendations will be used to design a center for environmental information and statistics.

14. Electronic data transfer. EPA will establish a system to allow facilities to report monitoring results electronically. This will help reduce monitoring burdens while enhancing enforceability or accountability.

APPENDIX C

THE CLINTON/GORE RECORD: TWO YEARS OF PROGRESS

PERFORMANCE AND MARKET-BASED REGULATION

Slashed Toxic Air Pollution from Chemical Plants with a Flexible New Regulation: EPA issued an air pollution regulation of unprecedented scope that will reduce emissions of over a hundred hazardous organic pollutants by nearly 90% by early 1997, protecting the health of Americans who live near chemical facilities in 35 states. This regulation clearly signified EPA's objective to move from a one-size fits all regulation to an approach based on flexibility, innovation and common sense. This regulation provides flexibility by allowing businesses to continue to emit from pollution sources that are not cost-effective to control if extra reductions are achieved at other vents in the same plant. Businesses can implement cost effective, common-sense control measures and do not need to install the same stringent level of technology on each source of pollution in their plant, as had been traditionally required. This approach will result in both cleaner and cheaper results and firms that take advantage of this flexibility to reduce costs will be asked to make an extra 10% reduction in their overall emissions. Among the benefits of this regulation are greater protections for public health, increased crop yields, less destruction of animal habitat, and a reduction in smog equivalent to taking 38 million cars off American roads.

Marshalled the Government's Buying Power to Promote Recycled Products and Environmentally Safer Products: The Clinton Administration recognized that the biggest barrier to the recycling of municipal solid waste is the lack of a mature market for recycled products, and set out to help change that by issuing an Executive Order requiring the federal government to buy recycled goods and thereby build demand. EPA has led efforts to implement that order and proposed last April a major guideline designating 21 additional items Federal agencies should buy with recycled content, including commonly used items such as plastic trash bags, concrete and carpeting. EPA also drafted separate guidance for Federal procurement officials to help them determine which other products are environmentally preferable.

Issued A National Plan to Prevent and Recycle Hazardous Waste: To implement the Clinton Administration's priority emphasis on pollution prevention and recycling of hazardous waste, EPA released last fall a national blueprint to reduce toxic, persistent and bioaccumulative constituents in hazardous waste by 25% by the year 2000 and by 50% by 2005. The blueprint enlists an array of regulatory and especially non-regulatory measures and maps out a consultative process with state governments, industry and other stakeholders to ensure that the strategies employed will be based on consensus and tailored to local needs. The plan allows companies that have already made strides in this area to take credit for their actions and foresees flexible reduction levels across facilities that will add up to the aggregate goals of the plan.

Rewarded Early Performance in Cutting Air Pollution with Flexibility: EPA launched an Early Reductions Program that provides facilities that emit hazardous air pollutant sources with a six-year extension to a Clean Air Act compliance deadline if they achieve over 90 percent of their pollution reductions ahead of schedule. EPA also offered a new and more flexible framework than

the customary one for demonstrating these reductions so that businesses would find it more cost-effective to choose this alternative.

Gave Businesses Choice to Opt-In to the Acid Rain Permit Trading System: EPA

established a voluntary program allowing businesses with combustion facilities such as boilers and turbines to join the Acid Rain trading system and receive allowance permits for their annual sulfur dioxide emissions. These businesses can then trade their permits or sell them for a profit if they can reduce emissions below their customary level. This innovative market approach provides new choices and incentives to businesses that are not required to observe particular regulatory limits. The benefits of this approach include reduced emissions which contribute to acid rain and greater health protection. Public health benefits of reducing acid rain include greater prevention of respiratory illnesses, with a monetary savings estimated at \$69 billion through the year 2010 due to decreased mortality, hospital admissions, and emergency room visits. Environmental benefits include protecting aquatic life in streams and lakes and preventing the decline of forests. Other economic benefits include reduced costs of compliance for the electric utilities that are required to be in the Acid Rain trading system; for example, businesses that choose to join can reduce their emissions and then sell their left over emission entitlement to utilities facing higher control costs (and which therefore prefer to purchase allowances that allow them to continue to emit).

Promoted Market-Based Programs for Reducing Air Pollution: EPA issued Economic Incentive Program rules that provide a framework for the development and use of emissions trading, emission fees and other market-based approaches for controlling stationary and mobile sources of air pollution. These market-based approaches provide economic incentives for technology vendors and industry to develop new pollution control technologies that are both cleaner and cheaper than those that would otherwise be required. A growing number of states throughout the country -- including California, Texas, Illinois, Connecticut and Massachusetts -- are implementing or actively developing market-based programs under these new rules.

SETTING PRIORITIES BASED ON A SOUND SCIENCE

Promoted Redevelopment of Contaminated City Properties, or "Brownfields": To reduce the incidence of Superfund cleanup requirements deterring redevelopment of inner city sites, EPA last month removed approximately 25,000 sites from the Superfund Inventory where it was determined that there was no need for further federal action. Taking them off the list has removed a major impediment to investment and redevelopment. EPA will issue guidance this year calling for quicker decisions as to which sites need further study and which may be ripe for redevelopment without extensive cleanup. Over the next two years, EPA will increase from eight to fifty the number of grants to cities for promoting economic redevelopment of these sites. EPA will issue guidance to expand the circumstances in which EPA can forge agreements with prospective land purchasers not to impose liability if the land in question was contaminated prior to purchase. Another imminent EPA guidance will clarify EPA's policy of freeing lenders of cleanup liability if they are not directly managing a contaminated facility.

Strengthened the Quality and Credibility of EPA Science: EPA instituted an expanded peer review policy in June 1994 to require all major EPA science products to undergo external peer

review prior to use in regulatory or policy decisions. EPA has committed to allocating 50% of research dollars to long-term research to develop better understanding of environmental problems and to get early warning of tomorrow's problems; the remaining 50% will be used to vigorously support the applied research needs of EPA's program and regional offices. EPA revised its research program to use risk assessment and risk management as the principal priority-setting criteria. A high priority is being placed on research to reduce the significant uncertainties that remain associated with risk assessment methodologies. EPA will shortly publish a new risk characterization policy requiring impartial presentation of risk assessments, scientific assumptions, and description of major uncertainties and data gaps. A special effort was undertaken by EPA to evaluate its laboratories, which resulted in a new organizational structure that will improve risk assessment; this new organization streamlines headquarters operations by 50 percent. EPA also doubled funding for investigator-initiated research grants in order to expand the number of first-rate, outside scientists conducting research related to EPA's mission. EPA initiated a new graduate fellowship program to support students conducting environmentally related research, thereby investing in the next generation of environmental scientists and engineers. Lastly, EPA updated its guidelines so that analyses of the impact of its regulations will reflect the latest economic and scientific methodology, thereby enhancing understanding of the costs and benefits of regulation.

Reduced Dioxin Risk to Americans by Cutting Municipal and Medical Waste Incinerator

Emissions: Municipal and medical waste incinerators have been identified as two of the largest known sources of dioxin, a chemical that persists in the environment for a long time and can cause cancer and reproductive and developmental defects. Incinerators also release thousands of tons of other dangerous pollutants, such as lead, mercury, and cadmium that can cause cancer, neurological disorders, and respiratory disease. EPA's proposed standards will cut medical and municipal incinerator emissions by tens of thousands of tons, and dioxin emissions will be cut by more than 99 percent.

Protected Americans from Lead Poisoning through Coordinated Inter-Agency Action:

Experts have called lead poisoning the number one environmental threat to children's health in the United States. Severe lead exposure can cause coma, convulsions and death. Lower levels can cause adverse health effects on the central nervous system and kidneys, raise adult blood pressure and permanently impair the intelligence of children. Though blood lead levels in American children have declined over the past two decades largely due to the EPA-led phaseout of leaded gasoline, the Clinton Administration is aggressively responding to recent scientific knowledge showing that damage can be done at a much lower concentration than previously thought. Consistent with its emphasis on environmental justice, the Administration is seeking to reduce disproportionate lead exposure in inner-city children. Reflecting the Administration's strong emphasis on inter-agency collaboration, EPA co-proposed with the Department of Housing and Urban Development a regulation requiring disclosure of lead-based paint hazards whenever property is sold. EPA last fall proposed a rule specifying the requirements for training and certification of professionals who specialize in abatement of lead hazards. Last summer, EPA published public guidance on identifying hazardous levels of lead in paint, soil, and dust. Last spring, EPA proposed a rule requiring lead hazard education in relation to building renovations. EPA proposed to eliminate the remaining uses of lead in gasoline for highway use and another one to cut emissions of lead and

other air toxics from secondary lead smelters by 2,400 tons each year, without affecting the price of lead to consumers. This summer, EPA will propose to restrict significant new uses of lead so that new pathways of exposure will not be created.

Collaborated with Small Businesses in Evaluating and Designing Environmentally Safer Products and Processes: EPA's "Design for the Environment" (DfE) Program is a voluntary program through which EPA works with businesses on a sector-by-sector basis to promote pollution prevention and to assist in developing environmentally safer chemicals, materials, and processes. The DfE program evaluates the relative environmental benefits and risks of alternative production processes, a complex analytical task that is often difficult for small businesses to do by themselves. The DfE program focuses primarily on small business-dominated sectors and is working, for example, with the dry cleaning industry to evaluate alternatives to the use of perchloroethylene (perc) in terms of their costs, effectiveness and environmental effects. Other DfE projects are underway with the printing, printed wiring boards, computer and metal plating industries, as well as with the scientific community in green chemistry. Through DfE, EPA leverages its expertise and serves as a catalyst for the broader diffusion of both information and safer technology.

Set Priorities for Protecting Americans from Radioactive Contamination Based on Risks of Exposure: EPA issued a final regulation to prevent contamination of groundwater in the vicinity of inactive uranium processing sites, and to set priorities for clean-up based on relative risks of human exposure. Contaminants include both toxic and radioactive substances that can cause cancer and genetic damage. Department of Energy (DOE) studies indicate that at least 4.7 billion gallons of ground water have become contaminated as a result of these uranium contaminants. The recent issuance of this EPA standard clears the way for DOE to complete the clean-up of contaminated groundwater and provides flexibility to prioritize cleanup based on the populations affected, a far more cost-effective approach than the prevailing standard in place since 1983.

BUILDING PARTNERSHIPS

Launched "Common Sense Initiative" to Tailor Environmental Protection Policies to Specific Industries: To protect public health and the environment more effectively and less expensively, EPA launched a major initiative that looks at pollution on an industry-by-industry basis rather than using the pollutant-by-pollutant approaches of the past. The initiative involves everyone from manufacturers to community organizations in fashioning new strategies and approaches that emphasize pollution prevention while providing cleaner, cheaper and smarter protection for everyone. All aspects of environmental policy -- from emissions reporting requirements to needed changes in environmental laws -- are being examined. The Initiative has started by focusing on six pilot industries: iron and steel; electronics and computers; metal plating and finishing; automobile assembly; printing; and oil refining. Together they represent nearly 11 percent of the Gross Domestic Product, account for one-eighth of all toxic emissions reported to EPA, and employ four million people. Some are high-tech, other industrial; some are small business, others are large companies. The teams are: reviewing regulations to get better environmental results at less cost through increased coordination; seeking opportunities to give industry the incentives and flexibility to develop innovative technologies that meet and exceed

environmental standards while cutting costs; looking at ways to change the permitting system; encouraging innovation; and creating opportunities for public participation; and improving environmental reporting requirements.

Launched a New Era of Improved EPA/State Relations: For the first time ever, the Clinton Administration has involved States and tribes in EPA's internal planning process. In July, 1994, EPA Administrator Carol M. Browner signed a Joint Policy Statement with representatives of the State environmental commissioners, outlining a new set of partnership principles including reform of the oversight process; increasing the flexibility of funding; improving communications and data sharing; and improving technical assistance and training for the states. In 1995, EPA initiated grant flexibility pilot projects in Massachusetts, New Hampshire, and North Dakota. EPA also established new processes for state and local involvement in the regulatory development process.

Provided Assistance to Build Environmental Capacity of Local Governments and Small Towns: EPA established a new Local Government Advisory Committee to make recommendations on how to better address local government needs and a new Small Town Task Force with representatives from small towns across America to focus on the unique environmental and economic issues facing these communities. EPA charged its ten regional offices to establish a local government liaison function and doubled the number of EPA-supported Environmental Finance Centers to provide analysis and technical assistance to communities across the nation on financing environmental programs. EPA is conducting Regional Geographic Initiatives and Comparative Risk Projects to assist numerous communities and 27 states to help them set their own environmental priorities. EPA has also issued several user-friendly reports directed at helping local decision-makers design an effective environmental protection system.

Launched and Expanded Voluntary, Results-Oriented Partnerships with the Private Sector: The Clinton Administration has initiated or expanded a number of voluntary, results-oriented programs to assist businesses in identifying previously unrecognized losses associated with waste. The programs are projected to save over \$60 billion in energy costs by the year 2000, while creating jobs in efficiency and other emerging industries. EPA's most prominent examples of voluntary partnerships are contained in President Clinton's Climate Change Action Plan, which has reduced air pollution that threatens global warming and local air quality and implements a commitment to reduce U.S. greenhouse gas emissions to 1990 levels by the year 2000. The Plan encompasses a set of comprehensive and mostly voluntary actions that will produce cost-effective reductions in greenhouse gas emissions from the residential, commercial, agricultural, and transportation sectors. Some of the highlights include:

Climate Wise, encourages and recognizes voluntary reductions across all sectors of the economy. Already, businesses representing 3 percent of U.S. industrial energy use have pledged to reduce annual emissions by 10 million tons of greenhouse gases by the year 2000. DuPont projects that it will save \$31 million per year as a result of actions it will take to meet its Climate Wise pledge.

Motor Challenge, helps companies install high efficiency motor systems, has recruited over 100 partners, established national technical assistance hotline and is soliciting sites for 25

showcase technology demonstrations that will help encourage rapid adoption of high-efficiency motor systems by U.S. businesses.

Waste Wi\$e, encourages voluntary prevention and recycling of business waste and has attracted over 350 businesses.

Natural Gas Star, encourages natural gas producers to adopt practices that can profitably reduce methane losses from gas transmission lines and coal mines. The program has expanded to include over 35 corporate partners, representing over 55% of the transmission company pipeline miles, 25% of distribution company pipeline miles, and 35% of all service connections.

Green Lights, a program to encourage business and industries, local governments and other agencies and institutions to use energy-efficient lighting, has added 503 new participants since October 1993, for a total of more than 1,650. These participants have reduced lighting electricity consumption by an average of 47 percent, saving approximately \$60 million each year.

State and Local Outreach Program has awarded grants to eighteen states to complete greenhouse gas inventories or develop comprehensive mitigation strategies essential for laying the foundation for actual reduction efforts. twenty-four states have participated in the program, including seven in the "Green Fleets" initiative (to encourage procurement of energy efficient vehicles) and 25 cities in the "Cities for Climate Protection" program that helps cities save money and energy.

Chose Voluntary Agreement Over Regulation to Cut Sludge Disposal Risks: Instead of imposing a new regulation, EPA signed a voluntary agreement with the American Forest and Paper Association to reduce the risks associated with land disposal of pulp and paper mill sludge. It includes limits on the levels of dioxin in sludge that is disposed on land; and limits on subsequent use of that land. The affected companies were able to avoid a prescriptive regulation, and EPA accomplished its environmental goals with the agreement's provision for site management practices, a testing program, a program for distributing and marketing sludge products, and record keeping and reporting requirements.

Implemented Executive Order to Promote Environmental Justice: In the year since President Clinton signed Executive Order 12898 on Environmental Justice, EPA has convened a new Interagency Federal Working Group to establish criteria for identifying disproportionate impacts on minority and low-income populations, and coordinate research and projects with other federal agencies. EPA also formed a Federal Advisory Committee -- the National Environmental Justice Advisory Council -- to bring a cross-section of local and national perspectives to bear on preparing EPA's environmental justice strategic plan, which will be issued this spring. Among the concrete field projects underway is a pilot project at the Del Amo, California, Superfund site, where EPA awarded a grant to establish a health services facility to provide environmental health education and medical testing for residents. EPA also established a partnership with Morgan State University to train teachers to serve as community resources for information on hazardous waste

issues and government decisionmaking. EPA also provided critical guidance for the Administration's Empowerment Zone/Enterprise Community Program, which boosts sustainable development efforts in disadvantaged communities.

Enhanced Community Participation in Superfund Cleanups: Through its Brownfields Action Agenda, EPA is working in partnership with state and local governments, communities, industries and small business to clean up contaminated sites in cities across the country to bring them back to life and create jobs. EPA has encouraged the establishment of community advisory groups to increase community participation in cleanup decisions at Superfund sites. EPA is also expanding the use of Technical Assistance Grants, which are given to citizen groups around Superfund sites.

Expanded Public Participation in Hazardous Waste Permitting: For the first time in the 15-year history of the Federal hazardous waste program, EPA has proposed a rule that will permit applicants to make information available to local communities about the facility and meet with local citizens prior to submitting a permit application. The permitting agency, whether EPA or the state government, will be required to notify the surrounding community once the permit application is received and will be given flexibility to tailor the level of public input to community interest leading up to the permit decision.

Worked with States to Manage Petroleum-Related Wastes Rather than Imposing New Federal Regulations: EPA pursued an innovative alternative by granting seed money to an organization of oil and gas producing states to work together with industry, environmental groups and communities to develop guidelines for state programs to manage these wastes. After the guidelines were developed, EPA funding and technical assistance were also provided for teams of state officials to peer review each state program for adequacy and weaknesses. The process created both support for the guidelines and an incentive to upgrade state programs without imposing rigid federal requirements.

Initiated New State-Local-Tribal Partnerships to Design More Efficient Waste Management Plans: EPA provided assistance to the Cherokee Tribe to build a pilot partnership with neighboring Jackson and Swain counties in North Carolina to develop a regional solution to solid waste management problems. The initiative prompted exploration of joint partnerships for recycling and equipment purchases. EPA views the success of this project as a demonstration to state, local and especially tribal governments, that have often been at odds, of the genuine environmental and human health results that can be gained through partnerships that do not threaten sovereignty. EPA is promoting this concept nationwide.

Promoted Streamlining of State Waste Management Regulation: As a pilot project, EPA's Seattle office recently authorized the State of Washington to carry out the hazardous waste corrective action program under the state's Superfund authority. Most states have Superfund programs, whereas only a few states have requested authorization to manage their own Resource Conservation and Recovery Act (RCRA) corrective action programs. Under the Washington arrangement, the overlapping Superfund and RCRA programs have been coordinated to eliminate the need for the state to develop an entirely separate and duplicative cleanup bureaucracy. EPA is working to expand this approach around the country, while encouraging more states to undertake

their own corrective action programs instead of continuing to cede Federal control.

Launched Project to Set National Environmental Goals: EPA has launched a major initiative to develop ambitious long-range goals for America's environment and measurable 10-year benchmarks to mark success toward those goals. EPA conducted nine major public roundtables throughout the country with a cross-section of Americans, including business leaders, environmental advocates, government officials and labor representatives. By enhancing the national consensus concerning measurable outcomes, the Goals Project has created a new opportunity to shift government policy away from prescriptive dictates to flexible, performance-based approaches.

Developed Historic Water Management Plan for California, Protecting Farmers, Urban Drinking Water and Endangered Fish: After two years of intensive consultation with affected constituencies, EPA published final water quality standards for the San Francisco Bay/Delta. As the West Coast's largest estuary, the Bay/Delta supplies habitat for over 120 fish species and large populations of waterfowl as well as irrigation water for 45 percent of the Nation's fruit and vegetables. The innovative protection plan encompassing EPA's water quality standards was jointly developed by federal government agencies, the State of California, businesses, urban and agricultural water agencies and suppliers, and environmental advocates. The plan takes a comprehensive, ecosystem approach rather than a single-pollutant, individual source approach, and will provide many benefits to the millions of Americans depending on the Bay/Delta. It will help arrest the severe and continuing decline of Bay/Delta fish and wildlife resources, like the winter-run salmon. It provides a three-year window of opportunity to do more sensible long-term planning and management. The Clinton Administration managed this critical challenge by producing an adaptive management scheme that protects endangered species while assuring reliability in state and Federal water projects allocations to support farmers and urban water users.

Increased the Use of Regulatory Negotiations to Give Affected Parties a Greater Voice in EPA Decision-making: EPA is a recognized leader in the federal government in pioneering successful Regulatory Negotiations (Reg-Neg) process that convenes representatives of various interest groups, businesses and federal or other government agencies and has been able to reach consensus on an important and wide-ranging set of rule proposals over the last two years. Four examples from a larger set follow:

Reg-Neg #1/Negotiated Safer Drinking Water: To assure that public health is adequately protected, EPA negotiated with representatives from public water systems; state and local health agencies; environmental organizations; consumer groups; and federal, state and local governments for a cluster rule that would: (1) reduce exposure to chlorinated disinfection byproducts by 20%-30%; (2) reduce exposure to other non-chlorinated byproducts; (3) eliminate hundreds of thousands of cases of disease due to microbial contamination each year; and (4) control such potentially deadly parasites as *Cryptosporidium* in large water systems.

Launched Interim Voluntary Action to Protect Americans from Threats like the Bacterial Water Illness in Milwaukee: Given the significant risks to human health in the interim

before implementation of the above cluster rule, EPA is working with the water suppliers on a voluntary treatment optimization program to maximize the effectiveness of existing treatment in removing microbial threats.

Reg-Neg #2/Reduced Toxic Air Pollution from Wood Manufacturing: EPA met with state agencies, large and small wood furniture manufacturers, coatings manufacturers, and environmental groups and proposed a negotiated regulation to reduce toxic air pollution from Wood Furniture Manufacturing Operations. The proposed rule affects 750 manufacturing facilities and will reduce emissions of toxic pollution by 30,000 metric tons per year.

Reg-Neg #3/Reduced Toxic Air Pollution from Steel Manufacturing: EPA issued a regulation to cut toxic air pollution from Steel Plant Coke Ovens in October 1993 that broke a 20-year deadlock on the issue and will cut 1500 tons of pollution annually. The regulatory negotiation included participation by industry, environmental groups, and State and local agencies and the resulting rule offers flexibility to the steel and coke oven industry by providing a choice of two compliance methods.

Reg-Neg #4/Reduced Threat to Water Quality from "Combined Sewer" Run-off: To stem the threat to Americans' water supplies, EPA launched an enforceable national protection framework through the nation's basic water pollution permitting program resulting from a negotiated agreement among key stakeholders, and provides municipalities with flexibility to develop site-specific, cost-effective solutions to this problem rather than complying with a one-size-fits-all dictate.

Protected the Great Lakes from Toxic Pollution and Used Consensus-Building Process:

EPA, working in partnership with eight Great Lakes States, produced a common-sense, comprehensive plan to restore the health and the economy of the Great Lakes. Through a consensus-building process, the program will remove toxic chemicals from the Great Lakes basin that contains about 95 percent of the United States' freshwater and is home to one-fifth of all Americans and one-quarter of industry. The final plan provides the Great Lakes states and tribes with community-based flexibility to tailor solutions to local conditions and to set sound health and environmental protection goals, while developing cost-effective solutions.

Negotiated Environmental Side Agreement to NAFTA and Established Commission to

Coordinate Enforcement of Environmental Laws: The North American Free Trade Agreement and its side agreements represent the most comprehensive attempt in history to integrate trade and environmental concerns within the context of a regional trade agreement and has heightened enforcement in Mexico and has already stimulated greater U.S. exports of environmental technology. In addition, two financing organizations were established, the Border Environmental Cooperation Commission (BECC) and the North American Development Bank (NADBank) to help assist in financing badly needed environmental facilities in the U.S.-Mexico border area, such as wastewater treatment plants and drinking water systems.

CUTTING RED TAPE

Implemented Executive Order to Streamline the Regulatory Development Process: Since President Clinton issued Executive Order #12866 on Regulatory Planning and Review on September 30, 1993, EPA has implemented a number of regulatory streamlining efforts. In June 1994, EPA redesigned its rulemaking process to be more flexible, less encumbered by procedural delays, and more responsive to both industry and EPA needs. The new regulatory development process allows EPA to more clearly identify both its regulatory priorities and those actions that are designated as "significant" under the Executive Order. EPA's process requires actions to be "tiered" according to priorities set by the Administration and the regulation's anticipated impact on industry and other stakeholders. This has streamlined the regulatory development process and reduced delay in promulgating EPA's less complex and more routine actions. EPA has also undertaken new initiatives to solicit and incorporate the early input of State, local, and tribal governments in the development of regulations.

Launched Major Initiative to Reduce Permitting Burdens on Industry: EPA assembled a results-oriented team with representation from federal, state and local government to streamline environmental permitting so that Americans can focus on being economically productive and can protect our shared environment without needless paperwork. The Permit Improvement Team recommended revisions to regulations to allow alternatives to traditional individual permits, to encourage greater pollution prevention and innovative technology, and to provide special incentives for good performance such as expedited processing and alternative compliance strategies and schedules. The team also developed methods for enlisting earlier and more meaningful public participation in the permitting process, and met with a cross-section of stakeholders to develop action plans. The team has launched pilot projects that will develop models for future implementation on a nationwide scale.

Launched Consensus-Building Effort with States to Simplify the Tracking of Interstate Movement of Hazardous Waste: Many businesses have expressed frustration that the form for reporting their movement of hazardous waste varies from state to state. EPA has reviewed this problem in collaboration with states, businesses and other stakeholders, and this summer will propose consensus changes to bring uniformity to the paperwork.

Reduced Regulatory Barriers to Innovative Technologies: The EPA-led Environmental Technology Initiative (ETI), launched by President Clinton in his first State of the Union address is improving American competitiveness in the growing market for new environmental technologies. ETI reduces the cost of compliance, provides new tools for cleaning up the environment, and mobilizes American entrepreneurs to compete in the market place. The top priority of the ETI is to reduce barriers to innovation. This includes assisting entrepreneurs with obtaining permits and sites to test and demonstrate their new technologies for potential purchasers, helping small businesses identify the most cost-effective prevention or control technologies, and disseminating information and technical assistance to undergird a more efficient market. Three examples of recent changes instituted to help technology developers follow:

Eased Restrictions on Testing Hazardous Waste Technology: EPA issued a rule in early 1994 which eased the restrictions on testing hazardous waste technologies by increasing the quantity of contaminated soil that can be used without a permit in testing the new technology. Previous limits

were set too low to allow for realistic tests of new technologies, and unnecessarily inhibited the development of new technologies. Easing the conditions of these tests helps not just developers, but also decision-makers who need to evaluate new technology claims before deciding on a clean-up strategy.

Approved New Hazardous Waste Testing and Monitoring Technologies: In January, EPA amended its hazardous waste regulations to approve new and more cost-effective hazardous waste monitoring and testing technologies for inclusion in its nationally used manual. Manufacturers of environmental technology, commercial labs, and private labs that do environmental monitoring will benefit from this increased choice of innovative methods. Several of the newly approved methods promote pollution prevention by reducing the use of solvents.

Accommodated Innovative Technology Under the Nitrogen Oxides Air Pollution

Regulation: Last July 5, EPA issued a new policy that allows states to give businesses extra time to comply with Reasonably Available Control Technology (RACT) regulations for nitrogen oxide pollution. This new policy will facilitate the development and installation of cost-effective innovative controls. The option is only available where a source is actively pursuing an innovative control technology that would not be available by May 31, 1995, the regulation deadline for RACT compliance.

Proposed to Reduce Barriers to Financing by Businesses with Underground Storage Tanks:

Liability concerns of banks and other lenders have made it difficult for gas stations, farmers, convenience stores, local retailers and other facilities with underground storage tanks to obtain financing. EPA proposed a rule last year to reduce lenders' concerns, which will substantially increase the capital available to these businesses for expansion and environmental compliance activities and thereby reduce the risks of contamination for those in the community.

Reduced Permitting Requirements for Closing Hazardous Waste Management Facilities:

Last November, EPA proposed a rule that expands and improves the options available to businesses closing hazardous waste disposal facilities. The rule, when final, will allow EPA to use administrative orders instead of permits to expedite the closure of these facilities and the initiation of their cleanup.

Reducing Air Permitting Burdens for Plant Expansion or Construction: EPA will next month announce changes to its pre-construction review permit program under the Clean Air Act. The changes will increase flexibility and reduce burdens on industry, the first such overhaul in over 15 years. These permits are required when an industry or another major source wants to construct or make significant modifications to a facility, traditionally a cumbersome and time-consuming process known as New Source Review (NSR). EPA launched a consultative effort with industry, states and environmental groups to simplify the NSR process and produced a series of reforms. One such reform allows plants to operate under a plant-wide emission cap, which means a facility manager can make physical modifications at any time without being subject to customary NSR permitting restrictions if they make off-setting emissions reductions elsewhere in the plant. This allows for flexibility and cost effective management in achieving the goals of the Clean Air Act. Businesses can then respond more quickly to changing market conditions without

waiting for a permit. This EPA announcement will deregulate clean emissions units and pollution control and pollution prevention projects so that red tape will no longer delay common sense, cost-effective changes that are environmentally sound.

Amended Toxics Release Inventory Reporting Requirements to Reduce Burden on Industry for Lower-level Releases: The Toxics Release Inventory (TRI) is a database that enables Americans to learn about pollution in their communities and participate in decisions that affect them. TRI requires facilities that manufacture or use listed toxic chemicals to report their annual releases to the environment. Last November, EPA amended TRI reporting requirements by reducing the amount of information that must be submitted by facilities that release or transfer less than 500 pounds of a listed chemical. EPA estimates that this streamlining effort will reduce the national burden on industry by 400,000 hours or \$20 million per year, while maintaining important public health protections. In a separate action this summer, EPA will propose guidance to clarify what information must be reported by industry under the TRI, which will enable the public to better use the data reported and increase data consistency between facilities and industries. EPA will also redesign a key inventory reporting form to incorporate the latest pollution prevention principles and reduce some of the industry burden associated with its completion.

Streamlining New Chemical Review Approvals and Risk Reviews: The Toxic Substances Control Act requires that chemical manufacturers notify EPA of risks posed by new chemicals prior to their manufacture. EPA has recently streamlined this program by expanding exemptions from filing requirements for certain low-risk or low-volume chemicals and for those with very limited human exposure. These changes will result in a 30 percent reduction in the number of notices required under this program, lowering administrative costs to EPA and providing regulatory relief to many small businesses that develop and manufacture new chemicals. EPA is also developing a program to permit electronic data submission. EPA also proposed changes to the form used to report risk information on chemicals that will decrease the types of information that must be included in cases where they are already being submitted to EPA and the states under other EPA-administered statutes. EPA has also undertaken a study to identify types of health and environmental effects information being submitted that have limited practical utility.

Cut Red Tape To Enable Safer Biological Pesticides to Be Used: Ninety percent of biological and microbial pesticides pose little or no threat to human health because people are not exposed to them. Accordingly, EPA issued a final rule that eliminates the customary requirement for an Experimental Use Permit for these pesticides. Experimental Use Permits are normally granted for testing the product on a limited acreage plot for a specified time period in order to determine its effectiveness and safety. Eliminating this requirement for this category of safer pesticide products will allow them to enter the market more quickly and cheaply, thus promoting their development and use as a safer alternative.

Reduced Reporting Requirements for Lower-Volume Releases: The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) establishes EPA authority to respond to releases, or threats of releases of specified hazardous substances. Under this law, EPA establishes "reportable quantity" levels that trigger reporting of the release to the government. The government then determines whether an action responding to the release is

needed. In an effort to reduce reporting burdens on industry, EPA has identified specific rules where it can adjust upward the threshold at which reporting becomes necessary. This has the effect of deregulating releases at a level lower than the specified threshold, saving both industry and governmental time and resources. These threshold adjustments also enable EPA to focus its attention on the most serious hazardous substance releases. For example, EPA will this spring propose to raise the threshold for five broad categories of hazardous air pollutants. For example, one of these pollutants, ethylene glycol, is used for deicing airplanes and also as an antifreeze. Consumers have been required to report leaks in their radiators to federal and state officials and airlines have needed to report every time they de-ice a plane. This rule will reduce such reporting requirements. The final rule is expected to result in annual net cost savings of \$500,000.

BETTER ACCOUNTABILITY, COMPLIANCE AND ENFORCEMENT

Increased Incentives to Use Small Business Assistance Programs Designed to Aid Compliance with the Clean Air Act: Small businesses often have technical difficulty understanding their obligations under EPA laws. To assist small businesses in complying with air pollution regulations, the Clean Air Act required states to adopt small business compliance assistance programs. When it was found that small businesses were hesitating to use the programs, EPA issued a new policy last August to address their concerns. Under this policy, states have been granted flexibility to offer a small business a window of opportunity to correct a violation discovered through their participation in the assistance program without penalty. Alternatively, a state may keep information on violations detected through such a program confidential from its enforcement division. These incentives are expected to increase use of this innovative program, thereby increasing compliance and reducing pollution. High Priority Action #14 in the main portion of this report takes this clean air program as a starting point and calls for its expansion to other EPA-administered laws.

Made the Federal Government Accountable for Its Own Pollution By Requiring Public Reporting and Reduction of Toxic Releases: President Clinton signed an Executive Order directing federal agencies to comply with the reporting requirements imposed on the private sector for toxic pollution releases, and to voluntarily reduce by 50 percent their releases or off-site transfers of those chemicals by 1999. EPA has played a key role in implementing the order, by preparing guidance documents outlining Federal agency pollution prevention strategies and facility-level plans. EPA also drafted a "Code of Environmental Principles" to implement the Order's "Federal Government Environmental Challenge Program." Sixteen Federal agencies have prepared draft strategies for meeting the requirements of the Order.

Streamlined Compliance Inspections: EPA launched an effort to evaluate different approaches to multi-media compliance inspections so that businesses will not have to suffer through multiple visits from compartmentalized government bureaucrats interested only in individual media such as air pollution or water pollution or solid waste. EPA will develop a sector-specific compliance checklist to streamline inspections, initially for the printing industry and subsequently for other small business-dominated sectors, including dry cleaning.

Creating a Model Regulatory Assistance Service Center for Metal Finishing Industry: As

part of the Common Sense Initiative (described above under "Building Partnerships"), EPA is establishing a Metal Finishing Service Center with the Commerce Department's National Institute of Standards and Technology to provide businesses in this sector with easy access to comprehensive information on polluting prevention opportunities, regulatory compliance requirements in plain English, and technologies and techniques for reducing pollution in the most competitive manner. The Center will make its services available to state and local technical assistance programs. Similar centers will be established for other sectors in the future.

THE POWER OF INFORMATION

Developed Systematic Database for Tailoring Compliance Strategies to Specific Industries:

Recognizing that government must fully understand the businesses and operations which it regulates, EPA organized a new compliance assurance office on an industry-by- industry basis instead of the customary air, water, solid waste and pesticide compartments. To establish a firm informational basis for the new office's activities, EPA has compiled comprehensive profiles of eighteen industries, mostly small-business-dominated ones. These notebooks contain detailed descriptions of industrial processes, regulatory requirements, historical compliance data, and opportunities for pollution prevention. This information will promote businesses' self-evaluation and enhance the inspection process.

Clarified Government Guidance to Reduce Rejections of Pesticide Applications: EPA substantially re-engineered the process by which it reviews data submitted on the safety of pesticides and makes decisions to reject or approve their use. By systematically identifying the factors underlying rejections and working with industry to clarify scientific guidance so that they no longer recur, EPA has succeeded in expediting the process and has recently been completing a record number of pesticide reviews. Overall rejection rates are much reduced. This has reduced the cost to industry of obtaining pesticide approvals, since they are undertaking fewer studies that have preventable flaws. In response to the project, pesticide companies have also strengthened their quality control procedures and are producing better data. This promising new cooperation between EPA and the regulated community has reduced the cost and time required to bring new, safer pesticides to market, while cutting EPA's administrative expenditures.

Authorized State to Manage a Hazardous Chemical Rather than Imposing a Regulation:

Dichloroethane is a probable human carcinogen. It is also a high-volume chemical with substantial air and water releases, as reported in the Toxics Release Inventory. EPA's Existing Chemicals Program conducted an analysis which found that the majority of the risk was from one facility in the State of Indiana. Rather than using a command-and-control approach, EPA provided the information to the State of Indiana whose action resulted in the company implementing significant pollution prevention steps. These actions led to an immediate reduction in Dichloroethane emissions to virtually zero. This case also helped EPA initiate a dialogue with the Chemical Manufacturers Association on product stewardship, including the responsibilities of companies to assist their customers in the proper use of chemical products.

Used Education Rather than Regulation to Reduce Health Risks from the Cultural Use of Mercury: EPA faced a special challenge in addressing the risks of mercury poisoning stemming

from cultural and ritual uses of metallic mercury, such as the sprinkling of mercury in homes or vehicles, adding mercury to floor washes, burning mercury in candles, carrying mercury as a charm, and ingesting mercury as a folk medicinal remedy. Many such practices originated in Caribbean and Latin American cultures, and came with Spanish and Haitian Creole-speaking immigrants to the United States. Concerned that regulatory action to restrict the use or sale of mercury could infringe on First Amendment religious freedoms and drive the practices themselves underground, EPA consulted with national Hispanic organizations and embarked instead on a public education campaign to warn people of mercury hazards and encourage them to use less hazardous substances. EPA contracted with the Hispanic Radio Network for a series of Spanish language radio broadcasts discussing mercury dangers, broadcasted last September, and prepared multi-lingual fact sheets on risks. Because of the affected community's distrust of government authority, EPA is also working with the U.S. Catholic Conference to encourage their distribution of mercury warning materials. This effort reflects EPA's commitment to working flexibly with specially vulnerable communities to devise appropriate solutions.